

FROM SPATIAL INEQUALITIES TO SOCIAL WELL-BEING

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“The only true and sustainable prosperity is shared prosperity.”

Joseph E. Stiglitz, 2013 convention
of AFL-CIO in Los Angeles

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FOREWORD

The History of Researching 'Social Well-being' in Hungary¹

Viktória Szirmai

On 25th November 2009 a conference was held at the Hungarian Academy of Sciences under the title 'Beyond GDP: Measurement of Economic Performance and Social Well-being'. This was the first time when the Hungarian scientific community heard about the Stiglitz Report in the interpretation of recognized Hungarian scientists. The paper 'Report by the Commission on the Measurement of Economic Performance and Social Progress' was prepared by worldwide famous and respected economists and social scientists headed by Joseph E. Stiglitz, a Nobel Prize winning professor at Columbia University² in 2009. The Report was prepared at the request of Nicolas Sarkozy, the President of the Republic of France. The purpose of invitation was to investigate the main determinants of the economic, financial and social crisis broken out in 2006-2008 and also to seek new solutions to the problems.

The Report stated that one of the major causes of the crisis is that the GDP (i.e. the Gross Domestic Product), an indicator to be used for measuring social and economic processes, is unable to measure social development, it is an improper indicator of it, so new measurement tools need to be introduced. That tools are taking into account the aspects of sustainable development, its main pillars; the economic, environmental and social contexts including the social well-being of individuals as well.

¹ The publication was co-financed by the EU and the European Social Fund. It was prepared in the framework of TÁMOP-4.2.2.A-11/1/KONV-2012-0069 project titled: 'Social Conflicts – Social Well-Being and Security – Competitiveness and Social Development'.

² No Central and Eastern European scientists participated in the Commission's work.

The Report's central idea is that instead of taking production- and economy-oriented measurements emphasis should be placed on the examination of the social well-being of present and future generations³. This opinion means a significant change of today's paradigm expressing that it is not just the economy, the economic processes, but also social relationships and the everyday living conditions including the well-being of the societies concerned, are important in this aspect; either when interpreting the different phenomena occurring in the world or when selecting from various types of development goals, or when trying to tackle and eliminate social, economic and political problems and tensions.

Naturally, the approach emphasizing the importance of social factors is based on some precedents: we have studied several works which have criticized mostly urban development concepts built on a purely economic approach, and have urged for analyses focusing on social aspects as well (*e.g. Dogan, 2004; Kolossov-Loughlin, 2004*). I myself have also criticized with my colleagues the 'one-dimensional' analyses – focusing mainly on economic aspects – in an earlier work, (*Szirmai et al., 2002*). Within the framework of another big research project we were investigating the interrelationship between economic and social factors, the two main components of competitiveness which were clearly distinct at that time, and it really was partially verified (*Szirmai, 2009*).

It was the demands of world economy in the 1970s and 1980s that have created – by Dogan's terminology – the one-dimensional, economy based urban theories and development concepts, because these approaches were fully appropriate at that time, because they partly expressed, partly contributed to the processes of global economy, including the unification of urban networks.

In the former socialist countries during the early 1990s, the period of economic and social transition, the global economic urban theories with their ways of approach and their resulting urban development paths were fully approved. For the countries of Central and

³ The term of social well-being comprises eight factors: the material living conditions (such as income, consumption and wealth indicators) the aspects of health, education, personal activities (including work) as well as the indicators of political representation and governance i.e. the indicators of political advocacy, the contexts of social and personal relationships, the aspect of present and future environmental conditions and finally the dimensions of economic and physical uncertainties (*they are detailed in the different studies of the book*).

Eastern Europe the relationship with global cities at that time was primarily important in economic terms. This was partly due to the fact that national political elite groups and even urban policymakers supporting the transition process could not imagine a different path than transition and economic integration into European social (and urban) systems, solely driven by dynamic economic growth.

Facts show that social or urban development concepts concentrating on the exclusivity of economy are adequate, as long as the needs of economic development demand it so, or until the economic and social needs for a paradigm shift have not been formed.

The paradigm shift i.e. the emergence of economic needs that are different from previous ones, demanding other ways of thinking, is due to the recent economic crisis and also to the recognition that the economy cannot be managed and cannot be improved unless it stands on the basis of integrating social contexts, managing adverse social impacts and developing the social well-being of affected nations. The attention of decision-makers was drawn to this integration by a variety of social tensions, conflicts, the increasingly strong criticism on urban societies, their new kind of local social needs, as well as the criticisms formed by anti-globalization movements and various professional groups against globalization, the negative impact of global economy, and last but not least by a multitude of scientific works.

The book 'Inequality and Well-being: the Forms of Well-being in Metropolitan and Rural Areas' has been written in the spirit of this paradigm shift, as a consequence of the Stiglitz concept and its antecedents in accordance with the value system of researchers dedicated to the exploration and mitigation of social problems. The verification of the Stiglitz model in Hungary was not our intention, as the Stiglitz concept has been established in such social contexts that are different from the Hungarian one, in significantly better social and economic circumstances. However, Stiglitz's theory of social well-being and the main components formulated within the model had been taken into account; we used them as a starting point, because we considered that they represent the best of all the relevant social-minded views known today and they interpret this phenomenon on global scale.

However, the results of the model were observed with criticism as well, mainly due to its excessive theoretical nature. For those who know it, it is obvious that the Stiglitz Report based social

model of development even in its complexity is rather a theory only. There are no theories aspiring to reveal the interconnections between economic and social development and social well-being, which are supported by empirical facts and verified by real processes, either at European or national (or global) level, there are only a few analyses focusing on certain correlations of social well-being, so we can see only rather partial results here (*which will be described in detail in several chapters of the book*). Therefore it was an important goal of our project to explore the issue of social well-being on empirical basis.

Another factor of our critical attitude was the lack of territorial aspects. Despite all of our respect towards Professor Stiglitz, we think, it is regrettable that the model of social well-being disregarded spatial aspects and did not call attention to the importance of investigating differences in regional endowments. As a result its individual dimensions remain too general, they do not reveal any differences either on national or regional or sub-regional levels. For this reason a relevant analysis based on spatial aspects had primary importance in our research serving as a basis for this book. It was implemented on two spatial levels: empirical surveys were conducted on the one hand in nine metropolitan regions of Hungary with a population over 100,000⁴, and on the other hand, in four disadvantaged micro-regions⁵.

The main objective of the empirical survey of 5,000 people was to explore the specific characteristics of the social well-being of people living in Hungarian metropolitan regions, and the specifics of the well-being of different social groups living in big

4 The metropolitan region research was based on a representative sample of 5,000 people. The studied metropolitan regions were: Budapest, Debrecen, Szeged, Miskolc, Pécs, Győr, Nyíregyháza, Kecskemét, Székesfehérvár and their urban zones. This survey was funded by the sub-project of Kodolányi János University of Applied Sciences; the collection of survey data was performed by TÁRKI Social Research Institute Inc. between 9th January 2014 and 17th March 2014. The research methods, including a detailed description of the nine metropolitan regions, see in the methodology chapter.

5 In case of the four disadvantaged micro-regions (i.e. the Sarkad, the Sásd, the Fehérgyarmat and Sárbogárd micro-regions) a representative sample of 1,600 was collected which was performed by the Hungarian Academy of Sciences Centre for Economic and Regional Studies Regional Research Institute another member of the consortium. The survey data were collected also by TÁRKI Social Research Institute Inc. between 21st February 2014 and 23rd March 2014. In this book we present only some of the major results of the sub-project.

cities whose various districts, and suburban zones are at various stages of development. Based on all this the survey was trying to find an answer to the question how the characteristics of social well-being depend on the spatial location and on the social, structural (education, employment, income and demographic) positions of the affected population.

During the analyses of the sample of 1,600 people living in ‘well-being deficit’⁶ hit areas similar targets were set up not only because of the interpretation of the research concept but also due to the intentions to compare the results of the two sample areas. As a result, we wanted to know not only what differences and similarities there are between the features of social well-being in metropolitan regions and disadvantaged micro-regions, but also wanted to shed light on whether the differences and similarities correlate with territorial (i.e. urban or rural determinations) or rather with structural (i.e. education, employment, income, demographic) differences. In this aspect, we also had an opportunity to test some assumptions, to explore whether metropolitan regions can rather be characterised by the presence of well-being while small regions can rather be characterised by the absence of well-being.

The selection of the nine metropolitan regions and the empirical analysis had been motivated by a very important factor: the possibility of comparing the data with the results of another research which was conducted in 2005 in the same metropolitan regions. We did this, and recorded significant changes as a result.

The book’s another important direction of analysis was the exploration of the correlation between social well-being and competitiveness. In doing so, we examined whether – in the sense of Stiglitz’s theory – people living in big cities under better well-being circumstances are in a better position regarding competitiveness, whether they can better cope under the present circumstances, whether they are more successful and happier than those whose well-being level is lower than that of the previous group.

The book opens with the Foreword, which is followed by an introductory chapter focusing on general trends, and the processes ongoing in Europe, including Western Europe, Eastern Europe and Hungary. This section describes the various documents of international well-being policies as well. It is followed by

⁶ This is the term as used by Judit Timár and Katalin Kovács.

a comprehensive section, where the problems of social well-being connected with spatial inequalities is presented. The summary chapter summarizes the main results. It provides a kind of an answer to the question formulated in the title of the book rather more as an effort (or perhaps hope) than reality: how to get – if we can get at all – from regional disparities to social well-being?

We would like to express our thanks to those contributed to this book and to the major results. First of all, to the winning project. The ‘*Social Conflict – Social Well-being and Security – Competitiveness and Social Development*’ (TÁMOP 4.2.2.A-11/1/KONV-2012-0069) research project was implemented between 1st March 2013 and 28th February 2015 in a consortium framework: through the joint cooperation between Kodolányi János University of Applied Sciences as consortium leader, Széchenyi University and the Centre for Economic and Regional Studies of the Hungarian Academy of Sciences Regional Research Institute as consortium members. I would like to say a big thank to our consortium partners, to colleagues implementing the other research directions of the project (which are not included in this book) for the successful cooperation. The supervisory body of the project (ESF Social Service Nonprofit Ltd.), but especially dr. Péter Szabó, the Rector of Kodolányi János University of Applied Sciences, dr. Gyöngyvér Hervainé Szabó, the Scientific Vice-Rector of Kodolányi János University of Applied Sciences, and Ágnes Schattmann, project manager also deserve my thanks. Several people contributed to this book by writing papers. They are my co-authors, to whom I wish to say a special thank for their dedicated and enthusiastic work. The edition of this book is due to Kodolányi János University of Applied Sciences, the implementer of the project, while the printing preparation of the book, the classy and sophisticated cover design is prepared by VIVIDesign Ltd. We are also grateful to those people, whom we visited during the investigation, whose opinion we asked for, without whom this book would have never been written. Finally, I personally thank my family for their understanding and patience which were very badly needed during the entire research and the writing of the book.

Budapest, 2015.

Viktória Szirmai

The editor of the book, the principal investigator of the project

I.

INTRODUCTION

Social Well-being Issues in Europe: the Possibility of a More Competitive Europe⁷

Viktória Szirmai

It can hardly be disputed that social well-being issues, including the mitigation of social and spatial inequalities are one of the timeliest tasks to be solved for the people of Europe today. This task is now becoming more important even for America, whose citizens for a long time, not only much more accepted social inequalities than the European people, but the attitude towards them was one of the main indicators and a key factor of the difference between the US and the European social model. According to a book published in 2008 Americans and Europeans think about poverty, inequalities, the redistribution of income between the rich and the poor, social protection and welfare in a different way. Americans are more or less on the general opinion that the poor should help themselves. In contrast, Europeans believe it is primarily the job of the government to lift people out of poverty' (*Alesina–Giavazzi, 2008, 27.*). Alesina and Giavazzi, the two authors of the book, think Europe's whole future depends on how it can get rid of today's social attitude, how it will reduce its well-being activities and how it will be able to catch up with the American model.

There are lots of people, who disagree with this, and they come not only from European societies and their (mostly left-winged)

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politicians, but also from the representatives of various sciences. In the field of European science more and more people just proclaim that Europe's 'Americanization' is not a solution, the American model should not be adopted and it is necessary to preserve those advantageous features of the European system that are connected to its social base, even if they are different from the American one (*Kazepov, 2010*).

But even the opinion of the US political and academic sphere is subject to change. Barack Obama, the US president in his speech held at the Center for American Progress Research Institute in 2013 highlighted the risks of the increasing wealth inequalities and called for their mitigation⁸. Joseph E. Stiglitz in his work published in 2012 under the title 'The Price of Inequality: How Today's Divided Society Endangers Our Future' reveals the negative economic consequences of social and economic inequalities, and at the same time he points out that 'excessive inequality is detrimental to productivity and slows down growth' (*Stiglitz, 2012*).

The Nobel Prize-winning American economist strongly criticizes the current US inequality system based on income and other economic factors where 1% of Americans control 40% of national wealth and also that the top 1% enjoys the best health care, the best education and the benefits of their property, while the other 99% are excluded from them (*Stiglitz, 2012*). He also states that converting economic power into political power is the major cause of inequality, i.e. the whole contemporary political system of the US governs for the benefit of the 1% (*Stiglitz, 2012*).

The introductory chapter is aimed at neither analysing the European and American social models and their associated social inequality issues nor providing an alternative of the two models, and elaborating proposals in this regard. The task undertaken here is only to indicate social well-being problems, especially those related to the lack of it, which have already reached global level, and to provide a detailed analysis of some of them but only in the contemporary Western, Central and Eastern European and Hungarian context. By the presentation of the different types of social well-being issues, social and spatial inequalities we want to convey the main objective of our book: calling for the need to

⁸ http://hvg.hu/vilag/20131204_Obama_ot_pontot_vazolt_a_tarsadalmi_egyen/

intensify the research of European and national social well-being systems. We do this, among other things, to point out, that mitigating social injustices, handling social inequalities, increasing social well-being should be actual objectives of European culture. Maybe the realization of these goals – especially in a competition interpreted only in strict economic terms – does not provide benefits in the race with the American society. To achieve these goals a very high amount of resources is needed, because these targets are particularly expensive. In fact, in the short term it is not even sure that they will serve for the efficiency of the economy, but they surely will strengthen the joy, satisfaction, and social-driven competitiveness of people living in European societies. And they will – certainly in the long run – ensure the more dynamic development of the economy as well.

Social well-being issues in Western Europe

In Western Europe there have been obvious signs of the economic decline and its adverse social consequences since the 1980s. The oil crisis in 1972, the subsequent indebtedness process and the financial crises in the 1980s in the 1990s and in 2008, the changes and the turbulence in the level of GDP per capita have put an end to the period based on optimistic, unbroken economic development opportunities, which characterised the 1960s.

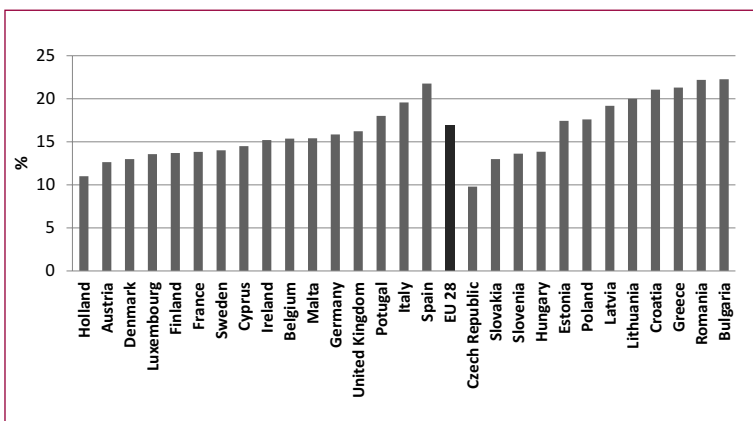
The basic welfare objectives of individual nation states were gradually built down, the eradication of poverty, the provision of full employment and supply for all became ideas impossible to carry out in more and more countries. The retreat of welfare goals brought about hundreds of social problems. Among them it is especially important to mention long-term unemployment which hit the European states in varying degrees, showing strongly fluctuating index values in different periods (for example, between 2000 and 2014), and then growing figures after the 2008 economic crisis⁹.

⁹ Changes in the unemployment rate in the EU: 9.2%, in 2000, 6.8% in 2008, 9.2% in 2010, 10.95% in 2013 and 10.1 % in 2014 (www.geoindex.hu/munkanelkuliseg).

The increase of poverty¹⁰, including urban poverty¹¹ also poses serious difficulties for European countries, although Figure 1., for example, suggests that the differences in poverty risk among European households are large. In particular, differences between Western and Eastern European countries are striking even in comparison with the EU average.

Urban poverty is difficult to estimate, not only because the very poor live mostly in disadvantaged areas, small towns and villages but also because urban poverty is less visible. This kind of poverty is multi-factorial (mainly in non-European countries), the poor living in cities are highly vulnerable, the official institutions often do not even know how many of them there are, where, which slums they live in. According to the United Nations' Centre for Human Settlements, today one out of six people lives in large urban slums or in arbitrarily occupied properties¹².

Figure 1: Income inequalities in the European Union (2010)



Source: European Commission, Eurostat, cross sectional EU-SILC, 2011 UDB August 2013

¹⁰ In 2010, nearly 81 million EU citizens lived in income poverty, about 40 million people were poor from a financial point of view. 38 million people lived in households where the adults worked much less than they could. (Source: Eurostat, online data series: tsdsc100, tsdsc270, tscsc280, tsdsc310, tsdsc350, ilc_pees01). In the EU income poverty is the dominant form of poverty, which in 2012, affected 17.1% of the Union's total population. (Summary: Sustainable Development in the European Union, Eurostat, epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/..HU/237HU-HU.PDF)

¹¹ In 2011 the proportion of urban poverty in the EU countries was 27.23%.

¹² Sheridan Barthelt: Children of Urban Poverty (<http://www.csagyi.hu/jo-gyakorlatok/nemzetkozi/item/288-a-nagyvarosi-szegenyseg-gyermekei>)

The spatial social migration – the inflow of mostly unskilled guest workers, migrants moving from Asian and African countries into developed European countries in massive scale – not only increases the number of the urban poor, but also brings in new panels of social deprivation, and the threats of social conflicts¹³.

As a result of the reduction of the previous goals of the welfare state, the reduced amount of the state's (or even the European Union's) resources to redistribute, the fears of public and non-government employees, operators of losing their jobs or their market, the contradictory effects of the global economy, the polarization consequences of global urbanization, the strongly growing discontent of civil societies, protests, strikes and often a multitude of brutal street conflicts swept throughout Europe. In almost all regions of the world, not only in Europe anti-globalization social movements are becoming more and more common as well. The social and economic injustices of globalization, the new movements protesting against environmental hazards, the various anti-globalization, anti-capitalist and globalization criticising groups are gaining new force.

The social and spatial inequalities in Western Europe

Not everyone accepts that globalization is one of the most fundamental components of reducing poverty in the developing world; therefore the problem is not globalization itself, but other structural barriers to the spread of globalization and power factors (Munck, 2005). Many people criticize the aggressive, and also the homogenizing effects of the lifestyles, cultures and social consumption patterns mediated by globalization as well as calling attention to the increasing risks of the decline of national and local cultures. These opinions are increasingly less willing to accept that global capital wants to control not only the economy, but also the states and social life (Hay-Marsh, 2000; Wilkinson, 2002).

It is more and more obvious that the transformation of the world economy, the growing intensity of the world-wide econom-

¹³ In 2010, approximately 3.1 million immigrants came into the EU member states, while at least two million emigrants left the member states of the European Union. According to the most recent data available migration slightly increased in 2010 compared with 2009. ([epp.eurostat.ec.europa.eu/statistics_explained/.../ Migration...migrant.../hu](http://epp.eurostat.ec.europa.eu/statistics_explained/.../Migration...migrant.../hu))

ic, social and cultural relations, the processes of globalization have controversial social consequences. Globalization, the effects of global capital movements all over the world, and even in Europe transform the social and power structure, new spatial and social relations are formed. The settlements previously holding power have got into a disadvantaged situation, while others came forward, new metropolitan powers have emerged, often leaving their national governments behind and creating supranational decision-making systems.

The territorial demands of global economy polarize the regional social structure in a specific way. New types of spatial dependencies, social inequalities are formed between regions favoured by global economy and regions that do not receive global capital, or regions which, are left behind by transnational multinational companies settling down somewhere else due to global-level decisions.

Although the needs of global capital in the beneficiary regions provide jobs and even global work culture, in the case of regional and local level, they generate income and other types of inequality, while in the case of abandoned areas, they bring about unemployment. According to what was said at the meeting of the leading top executives of the largest transnational companies in 1995 “in the coming century, twenty per cent of the working population will be enough to keep global economy at the present dynamism” (*Martin–Schumann, 1998*). Some professional assessments on the future development of world economy expect rising unemployment and increasing poverty as a consequence.

There is a great number of scientific works drawing attention to the dangers of social inequalities induced partly by global economy; while others give a full and sharp criticism of global processes based on capitalist systems as well. Among them the book *‘Le nouvel esprit du capitalisme’* (*The New Spirit of Capitalism*) by Luc Boltanski and Éva Chiapello published in 1999 is outstanding; here the authors present the historical development of capitalism, its transformation broken down into different periods and social inequality-generating effects with strong criticism (*Boltanski–Chiapello, 1999*). Here it is worth mentioning again Stiglitz’ book *‘The Price of Inequality: How Today’s Divided Society Threatens Our Future’* published in 2012, and the book *‘The Capital in the 21st Century’* written by French economist Thomas Piketty, published

in French language¹⁴ in 2013 and in English language in 2014. In the latter book, which received significant international attention, the French economist not only criticizes, but even claims that today's income, property and increasingly severe economic inequalities already threaten the future of the entire capitalism (Piketty, 2014).

The worldwide facts clearly show the concentration of wealth. According to the data 0.5% of the world's population owns more than a third of the global wealth (net worth) (*Credit Suisse, 2010, inequality.org*). Another data indicates that 1% of the richest owns nearly half of the world's total assets (<http://www.nbr.co.nz/sites/default/files/credit-suisse-global-wealth-report-2014.pdf>). It is evident from the works of Saskia Sassen, the American sociologist and of others that big cities and metropolitan regions play a major role in the development and organization of world economy. They are strategic locations, because they are the centres of innovation, production and services (Hall, 1996; Sassen, 1991, 2000, 2007, 476.). The dynamic operation of the post-Fordist economy, the growth of the service industry is mostly ensured by big metropolises. These growth poles command economic development. They are the places where international capital appears, where international skilled labour emerges as well as the places of the development of information technology, of the organization of relations between nations and of social and cultural diversity. It is the metropolitan regions that offer competitive advantages for global companies as well.

Behind the key social and economic roles of metropolitan regions we can find powerful economic and social processes of centralization which can be observed in the developed countries of Western Europe (and even in the United States and Japan). Starting from the 1960s and 1970s the concentration of the service sector and skilled labour in metropolitan regions, the rise of multiregional and interregional, later multinational, transnational corporations and the consequent strong development of big cities and their peripheries is a continuous process (Veltz, 1996).

The concentration processes taking place in the European metropolitan regions result in significant spatial differences due to the uneven development of areas affected by concentration processes

¹⁴ Piketty, T. (2013): *Le Capital au XXI^e siècle*. Seuil, Paris

Piketty, T. (2014): *Capital in the Twenty-First Century*. Belknap Press, Cambridge, MA

and those excluded from them. According to the French Veltz, the spatial structure of France, which was created on the basis of the concentration of global economy in metropolitan regions, is bipolar, which may be characterised by strong inequalities between the Paris region and the other regions (mainly the Southern district) (Veltz, 1996, 33.). Phillipe Cadena states that the 117 municipalities with over two million inhabitants concentrate the most powerful institutions, the wealthiest families, and even a part of country-specific poverty (Cadena, 2000, 139.).

Mollenkopf and Castells used the term dual society for indicating inequality problems (Mollenkopf–Castells, 1991). The term used by them is associated with the spatial and social inequalities which developed as a consequence of globalization, with the advantages of regions and spatial groups linked to global economy and the disadvantages of the excluded ones. The term ‘société duale’ or ‘dual city’ expresses the economic and social contradictions between groups living in large metropolises, urban regions which are linked to global economy and old industrial cities, urban regions hit by the crisis, large housing estates inhabited by the poor, small cities and declining, small rural areas (Ascher, 1995, 126.).

However, the concept of dual society is debated by several experts, because dynamic urban regions are also structured and declining regions also have groups of high social status. For this reason, for example, Ascher proposes using the structure of three-part societies based on the place occupied in the Fordist wage structure instead. In this distribution on the one hand, there are people of stable socio-economic status in the public sector or at private companies, on the other hand, there are people who are in unstable position and who are excluded from the labour market. Within the first large group a further differentiation is possible in terms of safety, and those being in precarious position would form the third group. The three groups live three different ways of life by leading different urban lifestyles (Ascher, 1995, 130.).

Inequalities are manifested not only between metropolises, global city regions and other regions but also within the internal structure of global cities and metropolises as spatial economic inequalities between the core city and its urban neighbourhood. Veltz for example describes the relationship between the core and the peripheral area of the Paris region as a pyramid patterned spatial hierarchy (Veltz, 1996, 33.).

The development opportunities of urban networks created by the globalizing world economy, and the development opportunities of cities and their urban regions (as well as of the involved national societies) are strongly differentiated. Between cores and peripheries, and within certain localities social polarization, the system of gradually increasing spatial inequalities has strengthened; the economy and the upper classes are concentrated mainly in city centres with favourable conditions, and in good suburbs, while the poor, the disadvantaged, the lower social classes are located in bad conditioned city centres and dilapidated urban neighbourhoods.

Social tensions became apparent even in global cities or ‘show-case cities’ as they were named by Boltanski and Chiapello. The development differences between the residences of the elite – including the expert groups or the management of multinational companies, or the homes of economic and political decision-makers – and the neighbourhoods inhabited by the educated middle-classes, and the marginalized, the disadvantaged, and the unemployed have become obvious (*Boltanski–Chiapello, 1999*).

Sassen’s analyses confirm the structural regional disparities in inner metropolitan regions; the differences between city centres and peripheries, or urban neighbourhoods which beyond the different historical determination originate partly from the territorial specificities of the location of global capital at companies, partly from the social class orientation and resulting lifestyles of the residents living in the urban region. According to this, companies being truly in global positions (and according to Sassen’s ‘*Global City*’) the so-called ‘new class’, i.e. high-income managers, highly skilled occupational groups, employees with equity portion generally live in city centres, while the employees of routine national companies, as well as people belonging rather to the national middle classes live in the peripheries of urban regions (*Sassen, 1991*).

Social well-being issues in Eastern Europe

The oil crisis, the debt, the negative consequences of the financial crisis did not spare the countries of Central and Eastern Europe either. The social problems resulting from the global economic crises in the 1970s and 1980s, however, emerged in a spe-

cific context, in the circumstances of the Central and Eastern European socialist states. These systems could be characterized by a centralized, one-party based power system and redistributive mechanisms, i.e. a social administration system based on the redistribution of financial resources. Their additional features included the lack of local (corporate, regional) autonomy, exclusive state ownership, neglected market conditions, the absence of social participation, lack of civil society organizations and movements, and last but not least, the presence of the party-state manoeuvring between “soft” and “hard” dictatorship perching on and intimidating the daily lives of individuals, and the complete absence of the freedom of speech.

The existing socialist systems concealed the different social problems and inequalities for a long time. Unemployment was held ‘behind the gates’, spatial and social polarization, residential segregation were denied, it was believed the whole thing could be solved by building new housing estates, with equally small apartments. Paying homogeneous wages also served for hiding social inequalities, as well, as the (declared and presumed) homogeneous development of new industrial cities, the unilateral communist ideologies communicated by the press, and the media.

However, the second half of the 1980s brought some changes, as it was impossible to continue to conceal the worsening economic and financial problems of the Central and Eastern European countries, the systems maintained and supported by foreign loans had become unsustainable, the predictable collapse of the Soviet bloc was appreciable as well as the shaping of a new world power system.

Due to the economic and social problems, entangled into each other, several countries faced not only social conflicts, but also freedom fights and riots. The 1956 Hungarian Revolution, the 1968 Prague Spring, the workers’ strikes in 1956 in Poznań, in 1970 in Gdańsk, as well as in 1976 in Radom and in Ursus, broke out due to the difficulties of everyday life (especially the continuous increase of prices) people formulated the needs for the displacement of power, the goals of civil rights, alternative publicity, the freedom of association, the recreation of traditional communities and social networks.

The 1956 Hungarian Revolution, the 1968 Prague Spring, the effects of the new French, German, American leftist movements in

the 1960s on Eastern Europe, including Hungary (*Heller, 1968*) and the 1968 Hungarian economic reform movement¹⁵ called the new Economic Mechanism resulted in new phenomena in Hungary: the introduction of the so-called Hungarian model, the evolution of a kind of 'soft' dictatorship and greater freedom to the press. Thanks to the economic reforms, the Hungarian model exhibited some special features such as the slow organization of market elements, the development of the so-called second economy¹⁶, the limited but yet independent operation of larger companies and cities (mainly county towns). Last but not least, it resulted in the slow rise of the bourgeois class, which means not only the emergence of social differentiation, but rather its manifestation, the publication of scientific works on the whole phenomenon. In this, in addition to social scientists, some representatives of the press and the opposition groups played an important role.

The difficulties became more serious in the 1980s due to the fact that the signs of economic decline became perceptible even in Hungary. Between 1956 and 1980, according to the Central Statistical Office data, the growth of GDP significantly declined, which was due to the phenomena of economic downturn. As a result of the oil crisis between 1976 and 1983 the price of the Soviet oil sold in the CMEA markets more than quadrupled.

The country's western currency debt continued to rise, real earnings have fallen, and although social unrest intensified, social movements had not yet started. The Hungarian model, the 'soft' socialist dictatorship, the consumption opportunities which were very limited in comparison to what was expected, but which were still better compared to the other socialist countries, as well as the operation of the second economy prevented large mass demonstrations for a time. However, the end of the 1980s brought a change.

¹⁵ The new economic mechanism was a comprehensive reform of economic management and planning, which was introduced in Hungary in 1968. With the reform, the role of central planning decreased and corporate autonomy increased in production and investment, and prices were liberalized, i.e. beyond the officially fixed prices, the prices of some products could freely follow market demand and finally the centrally determined wage system was replaced by a more flexible, company regulated system within certain limits.

¹⁶ The second economy was introduced in the 1980s. This includes legal, for-profit activities, carried out in private sphere areas for the purpose of supplementing income: for example, backyard and subsidiary farming, private housing, and small-scale industrial activities.

Several groups of the Hungarian society, especially the elite social strata, but also the small and middle classes wanting to consume (hopping out to shop at the neighbouring Austria) were not satisfied with the quantity and the quality of life opportunities offered by the 'soft' dictatorship. Therefore, at the end of the 1980s, more and more social conflicts broke out leading towards the change of regime. They were based on the cooperation of formulating civil society forces, including employees' groups and political opposition groups (*Szirmai, 1999; Albert, 2001*).

However, the content and social basis of conflicts largely differed from each other. The social movements, the political unrest mobilized by the opposition's political forces, the goals to change the political power structure, the employees' actions were less aimed at changing the political system than were motivated by people's fears of losing their jobs, and by the need to protect job opportunities even if they provide low income, but ensure security for the people. This demand (for example, in case of the erupted social and environmental conflicts in the new Hungarian industrial cities), although for a short-term only, ensured the survival of the socialist system, and also temporarily relieved the general crisis of the regime (*Szirmai, 1999*).

The social and political changes of the 1990s quieted political (including environmental issues motivated) conflicts, for a long time, it seemed, the new civilian political system would give way to the enforcement of a wide range of social interests, among others on the basis of integrating civil society actors into the political system. During the institutionalization process the former social movements transformed into political parties; in the past they never had any chance for such type of organizational change, while some social movements kept their movement profile even after the change of regime, but with limited functions and political space (*Szabó, 1993*).

During the processes of the 1990s, the interests of the elite were largely satisfied and several of the leading personalities were elected into local and central power systems, their living conditions significantly improved. The modern civil society and economic conditions and the developing market economy created the possibilities for the highly awaited consumption. However, the civil society got into peripheral position. It was partly due to the fact that the powers of social movements, which seemed to

have strengthened previously, became weaker due to the fact that party building proved to be a much more powerful process than movement organization. And this was not favourable for the organization of social conflicts, which gradually calmed down.

The 2000s, the emerging contradictions of new global interests again led to a different situation. The threats of the 2000s, including the mortgage crisis from 2007 to 2008 and the global economic and financial crisis after 2008 originated in the United States. Today we already know that in the years 2000-2001 in America, due to the huge fall of property prices, people started to buy houses and flats. People were able to take out large amount of loans from the state, which they had to repay only in 30-40 years time (in those years, unprecedented in American history, 65% of the people had owned their houses or flats, of which only a small part had been paid). The mortgage crisis starting in the financial markets had brought economic downturn in the US, Japan and Europe. The crisis hitting investment banking, the run-away exchange prices, foreign currency loans, had their impacts on people's everyday life, several individuals lost their homes, and they were also threatened by losing their jobs. This, again, gave rise to social mobilization processes.

Poverty, rising unemployment led to protest strikes, and often inflicted a series of brutal street conflicts in countries such as Italy, France, and Spain. Although the Hungarian society's conflict culture is differentiated, it differs from the tensions generated by the civilian forces of Western societies, and other mobilization factors, and differs from the Western type of stronger conflict readiness which is capable of articulating community interests as well. The social unrest among the Hungarian population started to increase vigorously, namely because the global financial and credit crisis did not spare the country either.

In the years prior to 2008, the year of global economic crisis, Hungarian banks and financial institutions also had taken a series of measures that enabled the population to get home mortgage loans relatively quickly and easily. 2003 was an outstanding year in terms of housing loans, when the amount of home mortgage loans one and a half-fold increased in comparison with the previous year; from 992 billion HUF to 1,437 billion HUF¹⁷. This

¹⁷ 1 Euro=302,93 HUF (Hungarian Forint) (2015.02.26.)

is explained by the fact that the state provided considerable interest subsidy in that year. However, it is clearly seen that as an outcome of the global economic crisis, the amount of housing loan subsidies fell back to more than one third. According to the Central Statistical Office's estimates, in 2011, approximately 1 million 900 thousand people – that is, every fifth Hungarian person – were affected by the problem of mortgage loans (CSO, 2011¹⁸). The social discontent was increased by the totalling effects created by the transition process the historical contradictions and global processes. The gaps deepened between different social groups, different regions, urban regions and their internal spatial units as well, social polarization intensified and social inequalities became even more significant.

The interests of the elite have also changed. While in the past it was not in their interest, only to put only those minor problems on the conflict territory that they had the ability to deal with and did not mean any risks for the safe operation of their political power structure, in recent years a growing number of political actions initiated by national and local elites or even opposition groups have emerged in the political 'arena'. These groups have already been interested in making certain kinds of tensions manifest. At the end of 2014 several civil society movements showed up in the streets of big cities and Budapest.

Social and spatial inequalities in Eastern Europe

A comparison of the income data between European countries (including Western and Eastern Europe, and Hungary) clearly shows the Eastern European countries (though internally differentiated) disadvantaged positions, partly as compared to Western European countries, and partly as compared to the EU average.

The differences originate mainly from the historical and economic disparities (including GDP differences) between the western and the eastern, so-called post-communist countries, from urban characteristics, from specific divisions, the characteristic features of the adaptation to globalization process, from productivity and employment factors, from belonging to the

¹⁸ In 2014 25% of households living in metropolitan regions had loan debts.

European Union, and the dates of EU accession (and also the expectations related to it), and last but not least, from the malfunctions of the European cohesion policy. Although the EU has made a number of important strategic decisions that aimed at the mitigation of regional inequalities but in the majority of cases they proved to be unsuccessful¹⁹ (*Horváth, 2004; 2015*).

The political and economic changes starting in the early 1990s in Central and Eastern European countries, the development of market economy, the EU accession and its support systems created opportunities for economic and income convergence. The real processes had not only brought partial results, but also the recognition that convergence creates very big differences, for example in the case of the 'Visegrád Countries'. This is supported by the latest research, stating that Poland and Slovakia have much more successfully realized their income convergence, than Hungary. Among other things, it shows that household incomes between 2005 and 2013 increased the fastest in Slovakia and the least in Hungary (*Szívós, 2014, 58.*).

Recent social scientific researches show that over the last 10 years sharp structural changes can be observed in Hungary manifesting in the growing impoverishment of the middle class, in the lagging of lower classes and in the deepening of social gaps. According to Eurostat data for 2011, 31% of Hungary's population is exposed to the risk of poverty and social exclusion (*Hegedüs–Horváth, 2012, 16.*).

Domestic researches verify the visibly strengthened impoverishment in the lower segments of the income distribution system. Today, about one and a half times as many people live on incomes of less than eight years ago. The separation between households and employment has increased in households; the proportion of persons living in households where the head of the household is employed and there are other public employees increased, but the proportion of people who live in a household where there are absolutely no active employees increased as well.

¹⁹ The European Commission's various cohesion reports (such as the ones of 1996, 2004) claim several times that the disparities between regions despite structural policy measures have remained essentially unchanged. Horváth, 2004/9. 963.) (<http://www.matud.iif.hu/04sze/05.html>).

Taking a glance at the composition of income, we find that the households of employees the rate of labour incomes increased, while in the households of the non-employed the share of social incomes increased (*Tárki Háztartás Monitor [Household Monitor], 2012, 6.*).

As the data of Társadalmi Riport 2014 (Social Report, 2014) indicate the rate of people exposed to the risks of poverty and social exclusion in Hungary is not only the highest of all the 'Visegrád Countries', but has been steadily rising since 2008, while the Poles, the Slovaks and the Czechs could reduce the risk ratio of people exposed to such risks between 2005 and 2013 (*Szivós, 2014, 61–62.*).

Poverty data obviously do not express the results of research in the social structure, since they refer only to one of its factors. The social inequality system is the consequence of not only one but of several explanatory factors which compose a specific system of relationships such as the level of education, occupational prestige, job sharing, advocacy, power relations, income, wealth, consumption, cultural, territorial and housing conditions. However, the unequal distribution of cultural capital plays the most important role in it (*Kolosi, 2010*).

According to a more recent study the social structural situation of individuals is primarily determined by the possession of capitals; cultural and social capital. By a person's economic capital we mean the existence or the absence of the individual's income, assets, savings and properties. By cultural capital we mean consumption of high culture (theatre, museum, classical music, books) and new culture (e.g. Internet, visiting social networking sites, involvement in recreational sports). By social capital we mean the number and quality of social contacts (*GfK–MTA TK Osztálylétszám, 2014*).

The most recent social structure researches indicate that the most significant determining factors of the social position a person occupies in stratification are, in addition to age, the place of residence and educational attainment (*Tárki Háztartás Monitor [Household Monitor], 2012; GfK – MTA TK Osztálylétszám, 2014*).

A polarization process is taking place in the contemporary Hungarian society in several aspects. This is reflected in the country's territorial divisions which are manifested by the gaps which can be observed namely between the capital city and metropolitan areas, between small towns and rural residences.

According to this, members of the upper classes, including the highly educated, typically live in metropolitan or urban residential areas. The lower classes of the society are concentrated in small town and rural residential areas (Kolosi, 1987; GfK–MTA TK *Osztálylét-szám*, 2014).

This polarization process is manifested also by the significantly diminishing number and ratio of the people belonging to higher social classes, and at the same time the collapse of the middle class has strongly accelerated, while the ratio of poor classes has increased (GfK–MTA TK *Osztálylétszám*, 2014). For these reasons, until today a broad middle class stratum, which would be vital for modernization, has still not been formed. This verifies the distorted structure of the Hungarian society (Kolosi–Tóth, 2014, 14.).

The ongoing social processes in Central and Eastern Europe follow major Western European trends. The degree of urbanisation is high (64-76%), since economic activity, global capital, and urban population are all concentrated in metropolitan regions (Illés, 2002). However, urbanization slowed down in the 1990s, which was a significant difference compared to Western Europe as the ratio of urban population has been slowly increasing since the 1990s, whereas it was still decreasing in Central and Eastern Europe. This trend changed noticeably in the last few years with the decline of population halting in some cities and in some cities this process has even reversed. Suburbanization processes gained momentum during the transition thanks to a strengthening housing and real estate market, the establishment of market economy, and last but not least to a slow but steady growth of the middle class, leading to an increasing demand for new homes (including detached houses). In the first half of the 1990s, the inner polarization of cities was reflected in the simultaneous trends of the ‘citification’ of downtown areas and the forming of slums (Lichtenberger–Cséfalvay–Paal, 1995). The trends of gentrification and marginalisation were emerging in cities but more recently they have appeared in urban regions as well. One reason for the latter process is the increasing rate of social exclusion caused by city centre rehabilitation projects (Enyedi–Kovács, 2006). People in higher social classes, including those who are highly educated with high income tend to live in big cities while those in the lower classes are typically concentrated in small-towns and rural residential areas.

Europe's competitiveness

Europe's above-mentioned social and economic tensions (most of which are also global), such as poverty, unemployment, income and wealth inequalities, social conflicts are very much criticised in the European Union. Anti-EU sentiments are on the rise among several social groups in numerous countries. This is demonstrated by the strengthening of extreme right- and left-wing political parties that oppose multiculturalism, the free movement of labour and globalisation and seeking to exclude immigrants and guest workers from poorer member states and continents.

The main reasons for critical attitudes and sentiments towards the European Union are anomalies perceived in EU member states, the institutional systems of the EU and those of member states, their rules and regulations, intervention policies and in the creation and sharing of the EU's financial resources. Many countries believe that they pay in too much and get little back, while others feel that the amount of subsidies granted to them is insufficient.

The fundamental reasons behind these anomalies are Europe's social and regional inequalities (that also exist on a global level), and the internal difficulties of different societies. Contemporary modern capitalism is incapable of providing remedy to social tensions, which results in disparities constantly reproducing themselves. As a result, left-wing, Marxist and neo-Marxist egalitarian ideologies are disappearing, in part due to the failure of the so-called "existing" socialist regimes that are now defunct.

Meanwhile, it should also be recognized that there are professional groups, such as sociologists, geographers, and lately also economists, who from time to time express a desire to create societies that may not be completely egalitarian but would be more equal than the ones that exist today, while also mitigating inequalities and contradictions in existing ones. Efforts toward this can be seen within the European Union as well. While it is not our goal to summarise or even briefly list those EU documents that aim to ameliorate social problems and address regional inequalities by creating new models for competitiveness (*for instance, cohesion reports, the Cologne Summit of 1999, the Lisbon Summit of 2000 or the Gothenburg Summit of 2001*), we must still point out that these documents and the fundamental competitiveness concepts have shown significant changes by including

more and more social factors alongside the mainly economy-oriented criteria of competitiveness.

In order to solve Europe's economic and social problems not only new EU documents but also various new theoretical concepts were created. We must mention two such comprehensive works that convey important ideas relevant to this book, the second of which has played a fundamental role in the empirical research underpinning this study. The first one offers theoretical scientific answers to the crises of the 1980s and the second one to those of the 2000s, respectively.

The Brundtland Report, prepared by the United Nations of the World Commission on Environment and Development, is aimed to tackle the social and economic problems of the 1980s (*Our Common Future*, 1987).

The Report, written by an independent commission of scientists appointed by the Secretary General of the UN, was aimed at developing criteria for worldwide environment-friendly sustainable development up to the year 2000. According to the Brundtland Report, one of the main causes of that era's crises was that 'many social objectives fell by the wayside' (*Our Common Future*, 1988, 17.). The challenges the world is facing such as the social and economic crisis signs mostly stemming from the environment, demographic problems, poverty, food security, energy and climate concerns, and ecological stresses need remedy. This requires a new concept, the theory of sustainable development. The Report urges for 'a new era of economic growth – growth that is forceful and at the same time socially and environmentally sustainable' (*Our Common Future*, 1988, 18.).

Therefore, the concept calls for a new kind of economic growth programme: accelerating economic growth in a way which provides harmonious development and which preserves and extends natural resources – whose final goal is prosperity.

The appearance of this concept led to numerous debates and questions, concerning mainly the definition and applicability of sustainability. There were debates on what social sustainability should give weight to: only social problems, other economic and environmental problems or the complexity of these phenomena. The question what should be sustained also raised several disputes: the state of the natural environment or the level of social development (*Enyedi*, 1994).

Although the debates have not calmed down yet, the theory of sustainable development has made a lasting impact on the policy practices of both the EU and various European governments. The concept led to the development of tools for practical solutions, political programmes, support systems and tenders were elaborated. In addition to the countless studies examining the questions of sustainability, there have also been manuals and summaries published on 'best practices' to assist affected social actors and local governments.

Facts show however, that due to systemic political barriers and conflicting social interests, all these have not decisively mitigated economic, social and environmental problems yet. Several studies show that significantly fewer social powers are interested in sustainable development than in 'unsustainable' one. Profit-oriented development which destroys the environment, raises social problems and serves for the interests of a minority of European societies only. The balance of power that would favour change is also missing, as is the cooperation of professional groups that should theoretically be interested in ensuring the equal prevalence of economic, environmental and social factors.

Even European civil society forces have failed to substantially transform social practices and development policy decisions and to help turn theory into practice, thereby enabling European societies – although the way and degree of the marginalisation of social groups are necessarily different in the various countries and political systems – for social participation and integration.

Due to conceptual problems, neither the Brundtland Report, nor its supporters (who were numerous, as indicated by Susan Murcott who found some 57 definitions of sustainability [see *Fleischer, 2002*]) could truly interconnect economic, environmental, and especially social criteria systems. And although they emphasised the importance of all the three systems, they gave priority to business (and environmental) aspects and concerns, and social aspects were only deemed important in the context of these two.

Perhaps this is why many researchers insist that social crises need to be solved by the one-sided stimulation of economic development, that is, by strengthening economic competitiveness. There are also European scientists who advise on reducing the still existing European model of redistribution and state involvement in social matters and strengthening an American,

market-based model since the state lacks the resources necessary to support social aspects (*Alesina–Giavazzi, 2008*).

Europe's future still remained in question after the publication of the Brundtland Report as economic, social and environmental problems have been steadily escalating. Today, it has become increasingly obvious to European national governments, and to the scientific community that both global and European economic crises are self-reproducing in nature, leading to new, adverse social consequences and threats of social conflicts. New solutions that transcend old paradigms are needed to address increasing structural inequalities, social polarisation, social and economic differences between various regional levels, the increasing number of social groups that are excluded from global advantages (including advantages related to EU accession), the inequalities among metropolitan regions, between urban and rural areas, between core and peripheral regions, and the dichotomies among peripheries. We believe that the Stiglitz Report is an outstanding concept that provides these solutions, as its theoretical model obviously transcends not only the Brundtland Report but a series of other analyses and policy concepts. It is because (in order to achieve sustainable development) it does not concentrate on economic growth and its social and environmental sustainability aspects. Instead, its central concept is social well-being and (sustainable) social development which rests on the three equal pillars of economy, environment and society.

The importance of a social development model based on the Stiglitz Report is huge since it also provides answers to contemporary worldwide economic and social problems. It offers the possibility of social integration and development while stimulating the economy – emphasising the well-being of the countries, regions and societies in question instead of production. This approach – with an adequate social and political support – could reform the social practices of European countries (including their urban development) and would create a new, socially oriented competitiveness model which could integrate social interests. Theoretically, this model can build on earlier welfare state traditions, integrate affected social groups, and, through widespread participation processes, stimulate the economy and all social actors.

International Public Policies on Well-Being²⁰

Gyöngyvér Hervainé Szabó

Introduction

This section studies the creation and evolution of public well-being policies: how well-being problems appear in major international documents and what characterises well-being development programmes and concepts in international urban development programmes. These programmes and concepts are needed because community well-being cannot be created without well-being-based planning and urban development.

The sustainable city as a normative model of urban development

In Eastern and Europe the normative models of urban policy and development have appeared mainly thanks to the Council of Europe and the European Union, mainly through partner city programmes. Various global normative models have received a significant role, including the Soros Foundation's Open Society programmes. These programmes served to develop local democracy, self-government, and local civil society.

In the European region, the most important factors that shape the agenda are: the local government congress of the Council of Europe (CLRAE), the Parliament of the European Union, the

²⁰ The publication was co-financed by the EU and the European Social Fund. It was prepared in the framework of TÁMOP-4.2.2.A-11/1/KONV-2012-0069 project titled: 'Social Conflicts – Social Well-Being and Security – Competitiveness and Social Development'.

Committee of the Regions, and the UN's UN Habitat forum as intergovernmental organisations, the CEMR as an international organisation of 150,000 local governments, other international NGOs, and regional science²¹.

The regime change and Hungary's EU accession brought significant changes to urban development programs and policies: previously socialist urban development was influenced by the processes of globalisation in the 1990s and Europeanisation in the 2000s. They took place with the help of various international and European development programmes and funds. These dominant organisations (the UN, UNECE, EU and USAID) were associated with the sustainable city and the 1992 Local Agenda 21's normative principles. In the early 1990s the indicated models had more of an innovative role. They had little influence in the regime change process. In urban development, a fundamental result was the creation of strategic perspectives and a decentralised urban management system.

Results and failures of Eastern and Central European modernisation

The sixth city report study of the UN-Habitat examined the development of Eastern and Central European cities and the effectiveness of reforms in the last 20 years (*UN Habitat Sustainable Cities Programme, 2002–2007*). By analysing the effectiveness of interim policies it found that market forces do not automatically solve urban problems as they often sacrificed long-term political goals on the altar of quick reforms. Decentralisation was too fast, leaving no chance for equalisation. In many countries governance remained too centralised, there was too much privatisation of housing, and spatial and social inequalities increased. Differences in urban prosperity resulted in migration, low fertility indicators and an ageing demographic. Inadequate infrastructural net-

²¹ The number of international, intergovernmental, and non-governmental organisations involved in urban development is clearly visible in the following ministerial document made under the 2001 French presidency: Proposal for a Multiannual Programme of Co-operation in Urban Policy within the European Union: Report by the Committee on Spatial Development (CSD).

works set back urban and regional development and few countries were able to produce an integrated national policy.

In the case of Eastern and Central Europe the following have been established: social transformation more or less did take place and the quality of life improved significantly but unevenly. Geographically concentrated regions of high unemployment have been shaped. Because of the undeveloped nature of spatial planning, capital cities and metropolises developed at the expense of small and medium cities. A low birth rate and an ageing demographic are characteristic of this region. The privatisation of housing has made it impossible to build social housing services. The state of the environment is far from satisfactory. The gaps between the capital and second-level cities increased and regional development is uneven due to the lack of coordination. Planning is not sufficiently integrated and the cooperation among governmental, horizontal and vertical players is absent. Relationships with the private sector are also unsatisfactory.

The UN report said that urban policy is suitable neither in the EU nor on the level of national governments. Although it is not clear for the document how, through which international policies, can the abandonment of villages and small towns be stopped, along with demographic ageing, it considers the strengthening of urban policy strategies the main task, namely through the creation of regional and national urban hierarchies through the holistic model of integrated, inter-sectoral policies. In addition to unprepared local authorities, the study sees a contradiction between fast decentralisation and strengthening centralisation that is especially financial centralisation. It notes the lack of realistic multi-level governance, its inadequacy, and the fact that local authorities are not integrated into the system of governance. As such, the report urges a more efficient decentralisation, stronger financial decentralisation, and more effective multi-level governance (*Urban Habitat: The States of the European Cities in Transition*, 2013).

The report defines the privatisation of housing as the cause of the drastic increase in housing prices. In other words, a significant part of the population is too poor to maintain independent housing wealth. This could be treated through affordable rentals and social housing. The document also attributes the powerful impact of the economic crisis to an excessively large private sector, the

growth of mortgage debt, and the radical change in local foreign exchange rates. An important finding of the study is that the different concepts of urban space are often politically motivated.

In summary, the UN's study on Eastern and Central European urban development notes the lack of an urban policy perspective in the transitional social development model. It also makes numerous conclusions about real processes but it does not cover the questions and models of urban well-being.

The European Union's urban development policy

Of all integrative analytical urban development models that analyse European urban development experience, we must highlight the goals of the 'Lille 2000' urban action. According to the material there is a need for new aspects of urban development on both a national and EU level, as well as a need for improving civil participation, for action against social and ethnic segregation, an integrated and balanced urban development, the cooperation of the public and private sectors, the spread of best practices, networking, the dissemination of modern technologies and the further study of urban regions (*Lille 2000: The Lille Action Programme, 2004*).

The trends formulated by Peter Hall in 1992 are emphasised in the background analyses of various action plans; namely, continental commerce blocks, the transformation of Eastern and Central Europe, information economy and technology, the transformation of transport technologies, urban promotional activity, the competition of cities, and the trends of demographic and social changes.

During disputes before the millennium, a belief was formed that eastern expansion would move the focus of urban development eastward in the EU. European transport development has a dual effect, and the multitude of national policies is fundamentally defining from the perspective of EU policy.

After the turn of the millennium, polycentric urban development received a central role in the ESDP's (European Spatial Development Perspective) programmes, despite the fact that it became clear that this model cannot be used in all regions as it makes development dependent on business investors and there-

fore concentrates it. If it dominates, competition among cities would amplify on regional, national and transnational levels, and it would not be suitable to treat unemployment and social exclusion. Urban policies therefore fall into the trap of programmes that attract investments and support foreign direct investment. The balanced competitiveness models that oppose this were overshadowed because urban policies were part of national policies where the EU could only make feeble interventions.

The new cohesion policy adopted in 2005 emphasised cities' competitiveness, innovation, the ability to attract investors, the renovation of run-down neighbourhoods, and a more balanced but polycentric development. The EU's urban policy was based on the 2007 State of European Cities Report. We could not find references to well-being in the 2007–2013 European cohesion policy's urban dimension. In other policies the concept of well-being appeared under terms such as employment, social cohesion and sustainable development (*European Commission Interservice Group on Urban Development, 2010*). Well-being as a topic was not present in any of the 50 priority projects between 2007 and 2013 (*Urban Development in the EU, 2013*).

While analysing the EU's 2007–2013 programmes we found a significant difference in the use of urban development funds: 50% of competitive regions spent these funds on urban programmes, compared to only 35% of convergence regions. Competitive regions in new member states had no urban programmes, and the share of urban development programmes was only 10% in convergence regions, the rest being sectoral policies (*Commission of EC, DG Regional Policy, 2008*). In 12 EU countries, industrial rehabilitation (such as infrastructure and waste management) and one-sided physical rehabilitation (city centre renovation and brown-field investments) dominated over integrated perspectives on both professional and financing levels. The 2007–2013 regulation provided an adequate space to involve the urban level in planning. However, national planning excluded the representatives of local communities in most cases.

Urban development became a top priority again during the Spanish-Belgian presidency (2010–2011). The Toledo Declaration emphasised the importance of integrated urban regeneration and its models and methods, and it developed the referential framework of sustainable urban development as a method. It was

tested until 2011 in almost 50 cities (*Urban Intergroup at the European Parliament: Working Paper on Urban Development, 2011*). The need for a more balanced spatial development was expressed during the Hungarian presidency as well. In addition a continued emphasis on polycentric development, the development of medium and small cities was also set up as a goal. It was also during this period that the requirement of integrated design became even more pronounced.

Urban development was strongly influenced by the EU's single market policy and the programming related to this. After remaining a national responsibility, urban policy could not finance stronger programmes in addition to the economic development priorities. However, almost two decades of EU policy clearly show that this policy plays an important role in the funds of spatial and cohesion policies.

Among EU member states, urban development aspirations have been different from the 2004 period onwards, and not only in the EU-15 but also in the EU-12. Between 2007 and 2013, the EU's policies and guidelines show an aspiration towards decentralised, integrated planning. However, these principles were less pronounced in the convergence regions of member states that joined before 2004, and they were even less pronounced in new member states. This happened despite the fact that it was already clear during the stage of planning that new member states intended to spend a significant portion of funds on sectoral policies and one-dimensional spatial reconstruction. As a whole, the EU had a neoliberal spatial policy (and a polycentric development model) which affected the urban development of new member states very negatively and dramatically increased spatial disparities.

The EU's policy was therefore unable to convey European urban development patterns to all affected regions and new member states. The EU's assets did not prove to be enough for creating new national urban policy models. If we compare these results with the UN Habitat report, we can conclude that its findings are much deeper as they reveal the wrong steps in the policies during the change of regime and their consequences, especially that the effectiveness of urban development does not only hinge on suitable planning practices.

The well-being aspects of urban development

Documents of the Council of Europe and the UN

As the oldest European intergovernmental organisation, the Council of Europe renewed its City Charter in 1992 (*European Council: European Urban Charter, 1992*), which contains the following rights to well-being: the right to personal fulfilment and for urban living conditions to make it possible for the individual to reach personal well-being, social, cultural, moral and spiritual development, safety, the right to housing, cultural activities, and sports. It also declares that urban citizens have a right to engage in local politics, to freely and democratically choose their representatives.

Documents approved by the Council of Europe show well that comprehensive urban development models (such as those of the learning city, the sustainable city, or the liveable city) are often based on overlapping perspectives. They also often mix with business models, such as the SMART Cities, Green Cities programmes. The document deals with poverty but does not side with the elimination of urban poverty at all.

The UN's role is prominent in creating the vision of sustainable development and sustainable urban development, and in the dissemination of various models and policies. The UN's 2012-2013 report on urban development writes about the extreme imbalance of growth and development policies and their failures, and mentions cities as the spaces of power and protest, and as the promises for positive changes. The UN report (*UN Habitat: State of the World's Cities, 2012, 2013*) defined the concept of a "well-functioning city" through 5 goals. According to the report, a well-functioning city is able to (1) grow economically in a productive way, (2) generate income and employment, (3) reach positive standards of living, (4) provide adequate infrastructure and (5) social services to minimise poverty and inequality.

The publication also makes it clear that starting from the principles of the well-functioning city an integrative way of development is needed that provides the optimal creation of public goods, a sense of place, the safety of cities, and the economic value of territories. To this end, the legal and institutional frameworks of planning must be reconsidered and the capacity of business, academia, civil society, trade unions, professional organisa-

tions, and political parties must be made suitable for this new type of planning (*UN Habitat, State of the World's Cities, 2012*).

Along the lines of the UN happiness index, this UN report used the City Prosperity Index (CPI). The index's dimensions were also based on this. They are: productivity, infrastructure development, quality of life, equity and social inclusion, and environmental sustainability. If we compare all previous well-being indices, we can conclude that the UN's CPI model is the only one that addresses the problems of fragmented societies and social justice (*UN Habitat, State of the World's Cities, 2012, 2013; Prosperity of Cities, 2012*).

The 2014 World Forum organised by UN Habitat concluded that urban inequalities have radically amplified due to globalisation and the economic crisis. As a result, equalisation has become the central question of urban development²². The document also refers to the 2010-2011 social movements and urban riots and indicates that some experts (*Stiglitz, 2012; Krugman, 1994*) had warned of potential adverse effects after the 2008 crisis.

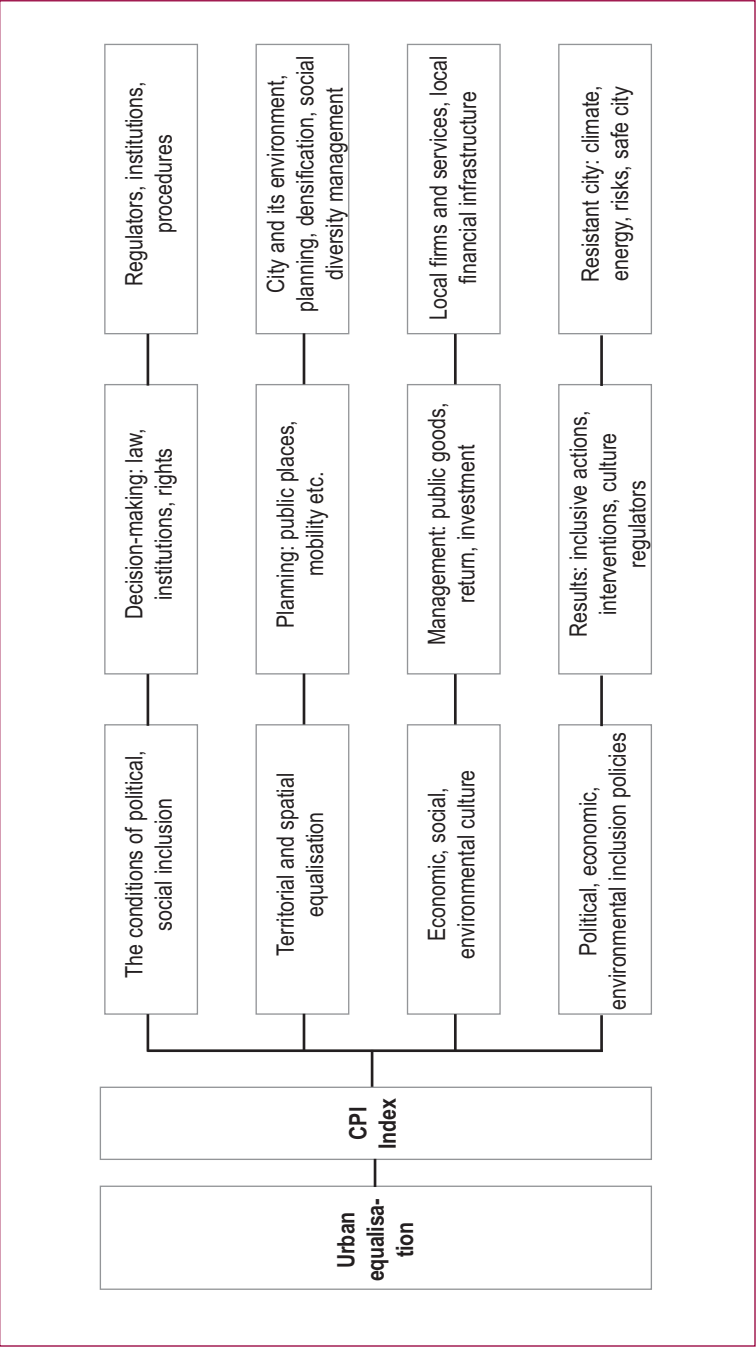
The document first states a need to break up with the neo-liberal model of development arising from the Washington Consensus as it has become an obstacle to development and it is the number one factor of global risks.

In the UN's post-2015 development goals equalisation will receive a central role. The 'Cities for Life' programme creates the concept of a sustainable, quality lifestyle, harmonic and balanced cities, and a good life, which must be present in urban planning.

The UN's Urban Habitat programme collected models that can serve the complex objectives of 21st century urban development. The program at the same time made recommendations for national urban policies, they are as follows: 1) socially and economically balanced and environmentally friendly national and

²⁰ The 1st and 2nd UN World Forums dealt with the urbanisation phenomenon, the 3rd forum in 2006 (Vancouver) with the questions of sustainable urbanisation, the inclusive city, and urban planning, the 4th in 2008 (Nanking) with urban deprivation and social harmony, and the 2010 forum in Rio with the aspects of equalisation, the question of the right to a city, its principles and the hurdles to its realisation, and with the questions of bridging urban divides through the concept of the inclusive city. The 2012 forum in Naples discussed equalisation and development, distributive policies, the role of governments in distributing well-being, and the topics of balancing development. All of this, combined with the Rio+20 Conference constitutes a break up with past policies, making equalisation a critical factor of post-2015 development programmes.

Table 1: The concept of balanced urban development, its policies, actions, and themes



Source: The World Urban Forum VII's model. Translated by Gyöngyvér Hervainé Szabó

urban development priorities should be defined, 2) regional development plans and guidelines for the development of the national urban system should be prepared, 3) the activities of the national and sub-national governments should be coordinated 4) state (community) and private investments should be coordinated (*Urban Equity in Development: Cities for Life, 2014*).

The new urban model of the UN is bound and connected to the City Prosperity Index, which does not mean only the quality of life (which is relative and bound to civilization and economic development related values), because it introduces the so-called ‘urban equity index’ in the Prosperous City Index as well. With this the fair city, the right for the city have been included in the criteria of prosperous city, which until now was a requirement related to global social platforms only.

On the basis of the foregoing it can be summarized that the UN’s normative regulatory activities have not deviated from the urban development objectives and policies defined earlier; although they were not able to prevent the social and political impact of neo-liberal development policies, social inequalities in cities have not been moderated.

The social foundations of urban development

Whittingham says that health and well-being centred urban development cannot be circumvented. Therefore, decision-makers should take the issues of social cohesion, the creation of trust, improving the quality of living environment, improving ecological conditions and healthy city programming into account (*Whittingham, 2014*). The healthy city model is included in the World Health Organization’s programmes. However, its implementation needs new research directions, including so-called community participatory action researches (*Tsouros–Draper, 1993*). One of the problems of today’s urban research is that actors in disadvantaged position are not able to influence the topics of research proposals, social science researches are conservative and career oriented. The 2014-2020 programming period of the European Union integrates the topics of health and social well-being into the objectives of urban development, among others, with the reason that health is interpreted as a complex social phenomenon.

The EU's development policy, the different framework programs have been linking the knowledge of society to development policy since 1997. This was emphasized mainly by the objectives of FP 6 between 2003 and 2007 but at this time, instead of increasing knowledge, resolving social problems and the research of new topics were given greater emphasis. In the 2007–2013 programming period the research programmes titled 'Beyond Industry' investigating the measurement of social progress and well-being had a prominent role in the EU's FP7 research programmes²³.

The implementation of well-being policies required public policy actions both on nation-state and EU level, just as did the introduction of well-being measurement systems. It has become clear that the European Union's Lisbon objectives and the aims of residents living in different countries are not compatible. Simultaneously with the development of well-being measurement systems a need was expressed for the coordination of well-being public policies and policy objectives together with their national and local integration.

The EU Health Programme in 2020 integrating health and well-being topics into the Horizon 2020 research programmes and into cohesion, urban and regional policies must be noted. The aim of the new public health model is providing preventive care and implementing new health services, developments for the population.

The Commission analysed the 2014–2020 programming experience in 2014 as well. 'The Role of Cities in the Cohesion Policy 2014–2020' document considers cities as partners evaluating them as parts of national co-operation. At member state level, however, the roles of cities have not been increased in the 2014–2020 period. There were some countries which although allowed participation in programming and even provided some financial resources to it (e.g. Hungary), there is difference in this between the old and the new member states: the former, rather sought to involve the cities, the latter did not even envisaged it. One obstacle of the strategic involvement of cities at partnership level is that the management of urban programs and of urban level is not uniform between the

²³ The topic's research took a strong turn thanks to the support of the following projects: In-Stream, POINT, PASSO, E-FRAME, BRAINPool, FUPOL, ESS DACE, EPSILON- KEI, INDI-LINK, EURO_URHIS 2, IANUS, MULTILINKS, etc. Source: http://cordis.europa.eu/fp7/home_en.html (2014.12.27.)

Directorates of the European Commission (and this is true for the member states as well). According to the Commission, EU planning did not break up with liberal planning models.

The business, normative and well-being models of urban development

Based on the results of the international outlook, the normative model of urban public policy can be described by the following parameters: a desirable urban policy goal, idea, process is formulated on the level of experts, national and city-level political leaders, international learning communities; the draft ideas are refined at international conferences and get into a standard form specification. (The standard may be of minimal, ideal, optimal [excellence level] character.) The standard, if it is approved on the level of an international organization, may be enforced as a recommendation (principles), charter (requirements), or by national adaptation of EU legislation (or act, government regulation or recommendation in case of parliamentary adoption). If the standard is raised onto the level of public policy, development programmes may also be attached to it. The provision of development grants can be made subject to the enforcement of the related standards. These normative practices strengthen the practice of a top-down development model.

Polycentric development is the business decentralization model of economy-centred development, in which urban development is based on the competition of cities and the main purpose of their contest is attracting working capital investments. The competition between the cities is present in several indices such as for example in Simon Anholt's city brand rankings.

In contrast to this, the well-being public policy model of urban development is such a community point of view, which 1) transforms wide-ranging and detailed information on local society into intelligent information, which makes the urban development actors capable to develop such effective strategies, which 2) in the development process pays attention to the satisfaction and needs of the population, 3) where the freedom and good life of urban citizens is especially important.

These viewpoints are reflected by the healthy and sustainable cities indicators of the Rio+20 Conference as well. Among the

indicators of a healthy city social equity, both the environmental and developmental dimensions of sustainability are listed, for example the transformation of segregated areas into safe, resistant areas which are adapted to the climate change in such a way that clean energy and basic infrastructure is provided; the quality of urban air meets the WHO air quality standards; transport is safe, sustainable and effective and at the same time, urban violence is minimal. In the management of cities urban planning, air and water quality, health risks, the availability of services, green spaces, urban food markets, waste disposal, sanitation should be parts of the indicators (*Health Indicators of Sustainable Cities in the Context of the Rio+20 UN Conference on Sustainable Development, 2012*).

In the concept of a well-functioning city innovative visions, good governance and appropriate legal background, regulatory and institutional system, renewed planning and appropriate policies, the creation of the driving forces of sustainable growth and well-being are the preconditions of good operation. This requires appropriate decentralization and institutions, participatory urban planning and management, the development of systems that create equal opportunities for civil society participation. The substantive involvement of elected representatives, adequate access to basic services and transport, well-organized business environment and corporate culture are the main standards in this.

In the urban development model of sustainable paradigm the behaviour of residential groups may also be involved into the planning process, which in addition to functional and rational decision-making integrates the aspects of cognitive decision-making as well (*Crooks–Patel–Wise, 2014*). The concept of cities capable of adaptation, based on the viewpoint of sustainability, raises the necessity of creating the concept of applied social sciences as well (*Plessis, 2009*).

Summary

As it is described above, European urban development mixes normative development and business models, but elements of well-being centred planning also appear. Experiences show that both in the previous and the current planning period no significant changes have been achieved in taking significant steps towards community well-being type design. The European Union's policy failed to develop the European models and patterns of urban development in the direction of well-being concepts, although a number of related documents have been published. Neither its tools were sufficient to develop new national, integrated, well-being based models for urban policy²⁴.

²⁴ Although investigating domestic urban development exceeds the scope of this book, it is worth noting that business planning models are stronger in today's urban development practices than community ones. There are several reasons for this. The ones that play key roles in the currently established practice are: the actors' general lack of interest, a lack of cooperation, insufficient statistical data, the lack of quality knowledge of local society.

II.

SPATIAL INEQUALITIES AND SOCIAL WELL-BEING ISSUES

The Socio-Demographic Structure of the Hungarian Metropolitan Regions²⁵

Júlia Schuchmann – Zsuzsanna Váradi

Introduction

The purpose of this chapter is to show the most important socio-demographic characteristics of the nine Hungarian metropolitan regions, their transformation between 2005 and 2014. Another aim is to compare observable socio-demographic trends, and to analyse their differences and similarities between the metropolitan regions of major Hungarian cities and of Budapest. This, on the one hand, should be done by using social statistics data²⁶, and on the other hand, by examining the data of the representative empirical survey implemented in the metropolitan regions of Hungary in 2005 and in 2014.

The main characteristics

Changes in population, migration

Hungary's population decrease is of more than a thirty-year process. The population is steadily declining since 1980, and since then nearly 700,000 fewer people live in the country. The population in 2011 had not reached the 10 million people (*2011 Census*).

²⁵ The publication was co-financed by the EU and the European Social Fund. It was prepared in the framework of TÁMOP-4.2.2.A-11/1/KONV-2012-0069 project titled: 'Social Conflicts – Social Well-Being and Security – Competitiveness and Social Development'.

²⁶ Central Statistical Office Census data 2001, 2011, and the settlement data series of TelR (National Regional Development and Spatial Planning Information System)

The decrease is due to several factors. The number of live births per 15+ women had steadily decreased and it still continuing, (it was 153 in 2001, and 147 in 2011), the fertility level is persistently low. By 2011 mortality rate – despite the decline²⁷ – is still high, the share of deaths among total population decreased from the 14.5 per thousand in 1993, only to 12.9 per thousand.

Migration²⁸ also plays a role in population decline. The age structure of the population is also getting unfavourable, Hungary's society is aging (the ratio of the elderly has increased from 32.4% to 37.8%, while the proportion of adolescents has decreased from 26.4% to 23.5%). The decline in population is moderated by international migration. Over the past decade, as a result of a natural loss of 320,000 – and a 133,000 gain due to international migration – Hungary's population actually has lessened by 187,000. Budapest has a crucial role in settling down foreigners. 42% of foreign residents live in the capital city and another 37% live in the other cities. Budapest has a strong gravity force on its agglomeration zone where an additional 14% of foreign residents are located.

The population of the examined nine metropolitan regions makes up nearly one-third of the country's total population. Of this the population of Budapest metropolitan region was 17.5% and of the metropolitan regions of other Hungarian cities was 12.6% in 2000. By 2012 these percentages only slightly changed: the figures for Budapest metropolitan region stagnated, while there was a slight increase (up to 12.8%) in the metropolitan regions of the other Hungarian major cities. If only the population

²⁷ Between 2001 and 2010, the number of deaths varied between 130,000 and 136,000 per year, in 2011 did not reach 129,000, which is the lowest value since 1974. Source: Central Statistical Office (2012): Magyarország Társadalmi Atlasza (The Social Atlas of Hungary).

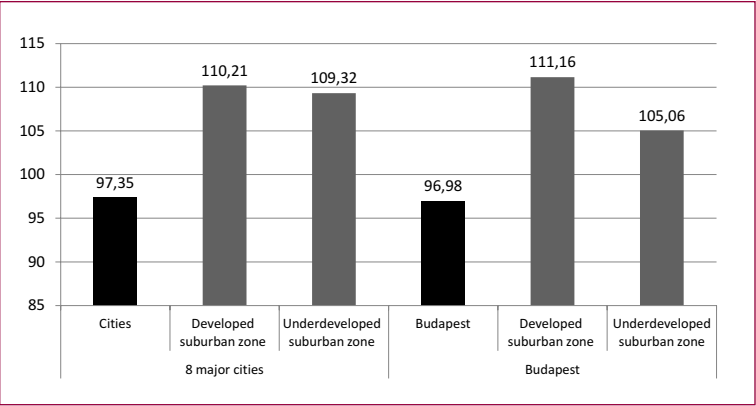
²⁸ It is very difficult to give precise information on the number of out-migrants since the official statistical data are not available. According to the 2011 census data 143,000 Hungarian citizens lived abroad for more than one year and another 70,059 persons for less than one year, which may be taken as only the minimum number of expats. According to the current Eurostat data, 230,000 - officially declared - Hungarian citizens are living in European countries. Compared to the 2001 data this is a 2.5-fold increase, but still considered a low estimate. The World Bank in 2010 estimated 400,000 Hungarians to live in other non-European countries. Source: Central Statistical Office (2014): Helyzetkép a magyarországi elvándorlásról (The State of Out-migration from Hungary) http://www.ksh.hu/docs/szolgaltatasok/sajtoszoba/seemig_sajto_reszletes.pdf

figures of the cities' suburban zones are compared to the country's total population their ratio has increased from 1.8% to 2.1%, indicating a continuous growth in the appreciation of suburban zones over 20 years, which is a clear sign of suburbanization processes.

Between 2000 and 2012 declining population in core settlements and increasing population in suburban settlements was a general trend both in Budapest metropolitan region and in the suburban zones of the other Hungarian major cities. In the metropolitan regions of the major Hungarian cities the growth dynamics of developed and underdeveloped suburban settlements was nearly the same, while in Budapest metropolitan region the growth speed of developed municipalities exceeded the underdeveloped ones (see Figure 2.). The declining population in central settlements and the growing population in suburban settlements seem to indicate that suburban lifestyle has still preserved its attractiveness.

East-West division between the urban areas of our survey was not experienced in population numbers as there are extremities in values in both parts of the country. The fall-back of population is the greatest in the city of Miskolc; here in 12 years the city's population reduced by 10%, i.e. by 18,000; the number of population has grown in developed suburban settlements, while it stagnated in undeveloped suburban settlements. In the suburban zone of Székesfehérvár the population increased significantly (by 8.4% in

Figure 2: Population change in Budapest, in Budapest metropolitan region, in the eight major cities of Hungary and their metropolitan regions (% , 2000, 2012)



Source: The author's own edition based on CSO TEIR database

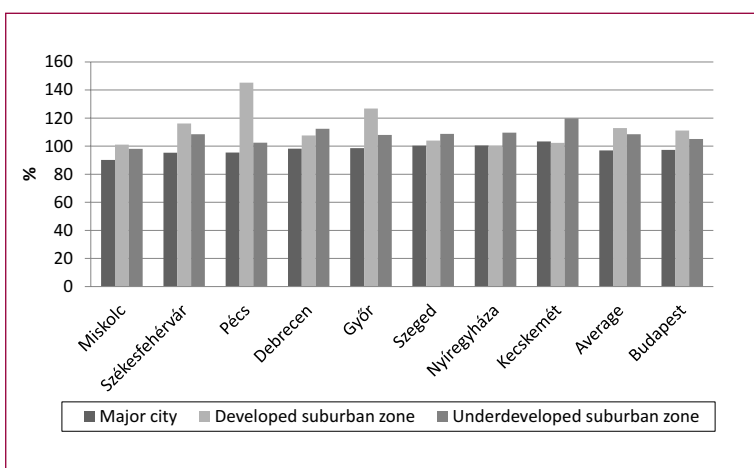
the developed and by 16% in the undeveloped zones) while the number of residents in the city has significantly declined (by 5%). The suction effect of the developed suburban zone has resulted in a 45% population growth in the case of Pécs, where the attractiveness of the natural environment and the improving quality of services increased the value of suburban small settlements and villages which in the meantime developed into towns.

We have experienced growth in three major cities. They are Kecskemét, Szeged and Nyíregyháza. We do not say that today Hungarian population moves only to the country's more developed western or central regions or that population grows in the most developed urban regions, but we rather suggest that growth can be seen in urban areas which offer job opportunities. Among them Kecskemét (a city located 60 kilometres away from Budapest with one hundred thousand inhabitants) should be mentioned, where the number of inhabitants in the city has grown by 3,600, in its developed suburban zone by nearly 500, and in its undeveloped suburban zone by nearly 2,500. This is especially due to the economic development of the city's metropolitan region, namely to developments in the automotive industry sector. Among other things, the Mercedes Company and the settlement of related suppliers attracted a significant number of workers into the city's economically stagnant or declining metropolitan region. In Nyíregyháza, (a city located in 200 kilometres away from Budapest in the north-eastern part of Hungary with more than one hundred thousand inhabitants), the expansion of the service sector and industry development (such as Lego Manufacturing) resulted in growing population. In summary it can be said that the settlement of multinational companies significantly increased the cities' ability to attract population.

We can get a more detailed picture of population changes in the metropolitan regions of Budapest and other major Hungarian cities by dividing the 10-year period of our survey into four-year sections. It turns out that the decline of the population in Budapest stopped in 2007 and after a slight increase the population number appears to have stabilized. Meanwhile the population of other Major Hungarian cities continued to decline (see Figure 3.).

The stabilization of the population number of Budapest is explained by several factors. Among them the further strengthening of the capital city's economic potential and the high attrac-

Figure 3: Changes in the population of the metropolitan regions (2000 – 2012) (2000 = 100%)



Source: The author's own edition based on Central Statistical Office data

tiveness of job opportunities on national level are the most dominant ones. Successful urban rehabilitation projects in the city and district centres, the renewal of public spaces and residential condominium developments creating new housing supply all contributed to the population attraction and population retention force of Budapest and to the slowing pace of out-migrations. Declining residential suburbanization and the increasing number of returns back into the city also played a role in the growth of the population of Budapest.

The analysis performed for the intermediate dates also provides an opportunity to detect differences in the dynamics of population growth trends between the metropolitan regions of Budapest and of the other major Hungarian cities. Until the middle of the last decade (2000–2004) the population grew dynamically both in Budapest metropolitan region and in the metropolitan region of the other Hungarian cities. In Budapest metropolitan region the dynamics of growth, especially in the developed suburban settlements, slowed down (see Table 2.) between 2008 and 2012. The slowdown of population growth dynamics between 2008 and 2012 had probably resulted from the negative consequences of housing debts, credit crisis and from the declining number of realized residential migrations. The demand for real estate, which was typically high during the previous years, halted; the large-scale demand for

Table 2: The number of inhabitants in the metropolitan regions of Budapest and in the other major Hungarian cities (capita, 2000 – 2012)

	2000	2004	2008	2012
Budapest	1 747 305	1 674 882	1 695 023	1 694 614
Developed suburban zones of Budapest	58 187	60 662	63 465	64 678
Underdeveloped suburban zones of Budapest	3754	6170	6976	7333
Total of 8 major Hungarian cities	1 178 654	1 154 342	1 156 143	1 147 255
Developed suburban zones of 8 major Hungarian cities	91 722	94 849	98 595	100 273
Underdeveloped suburban zones of 8 major Hungarian cities	35 491	36 961	38 431	39 137

Source: The authors' edition based on Central Statistical Office data.

moving out to suburban settlements dropped significantly. Due to difficulties financing the increasing foreign currency loans many people were forced to sell their house built in agglomerations and find a new place for living and move to another location. As a result of the increasing indebtedness fewer and fewer people could afford the costs to maintain a house. The high cost of commuting was also an increasing burden for those affected.

Migration balance i.e. the difference between temporary and permanent migration is one of the main factors of population change. Between 2002 and 2012, a total of more than 20,000 people moved out of the capital, which is equivalent to the population of a small town in Hungary. If this is further analysed as where people migrate away from, it turns out that core settlements, i.e. the major cities and Budapest can be characterised as negative migratory balanced settlements. Migration surplus in all cases is characteristic for suburban zones, especially for developed regions, regardless of whether we are talking about the metropolitan region of the capital city or about the major Hungarian cities.

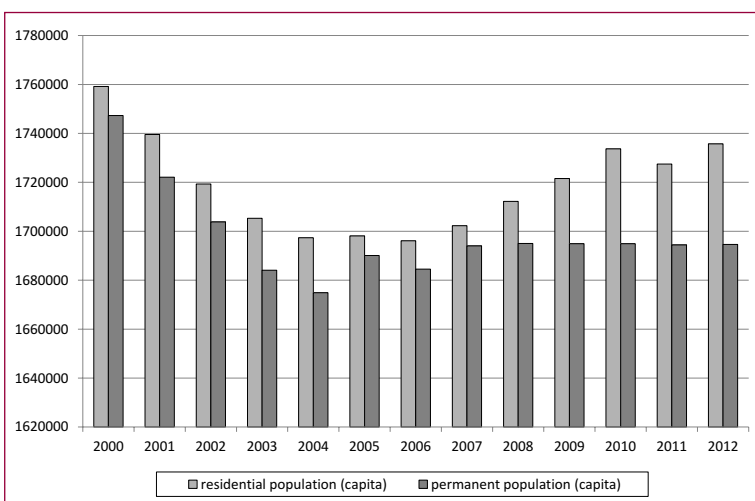
Examining the migration of major cities, between 2002 and 2012 an extremely volatile picture is shaping out. The trend is

clear: the pace of large-scale migration to major cities declined steadily, and in some cities it has even changed into a positive migration balance over the past few years.

The metropolitan regions have an overall positive migration balance, suggesting that large cities and their suburban zones had become the primary target areas of migration and residential outflows again. In particular, it is important to point out that in 2012 the migration balance of Budapest was positive as well (by more than two thousand people). Apart from Budapest the major Hungarian urban centres are also clear winners of migration, although growth rate was lower in suburban zones, and underdeveloped suburban zones had even produced a negative migration balance.

As calculations on population changes indicated there are some outstanding large cities, where positive changes have happened in recent years, but there are also some, where the several-thousand people decline in the population creates a problem for the affected cities to solve. The solution may involve economic development providing perspectives for the young generation as well, increasing the number of jobs and adapting the structure of employment opportunities to local and regional labour conditions and skills. Creating an attractive environment, the intensification of urban

Figure 4: Changes in the population number of Budapest (2000 – 2012)



Source: The authors' edition based on Central Statistical Office data.

Table 3: Changes in migration balance by metropolitan region types (capita, 2002–2012)

	2002	2004	2008	2012
Metropolitan regions total	–24 333	–6082	–2141	4070
Major Hungarian cities total	–15 656	–3672	–936	1145
Developed suburban zones of major Hungarian cities	1028	1227	785	389
Underdeveloped suburban zones of major Hungarian cities	431	252	255	–38
Budapest	–11 068	–10 685	–2782	2154
Developed suburban zones of Budapest	701	149	323	366
Underdeveloped suburban zones of Budapest	231	214	214	54

Source: The authors' edition based on Central Statistical Office data.

regeneration programmes, improving the quality of services and economic development activities can all contribute to the retention of population. In many cases they have successfully been accomplished over the past decade, thanks to the European Union's tenders and funding (for example, main square renovation programmes, city centre rehabilitation, complex rehabilitation programmes, regional and local economic development projects).

Based on the above, both similarities and differences may be observed between the population trends of Budapest metropolitan region and of the major Hungarian cities. A similarity in the population growth of suburban settlements could be observed both in the metropolitan region of Budapest and in major Hungarian cities. Differences occur at the level of core settlements: the population of major Hungarian cities (with two exceptions) decreased, while population decline has stopped in Budapest, and following a slight increase, has become stagnant.

The distribution of population by age groups

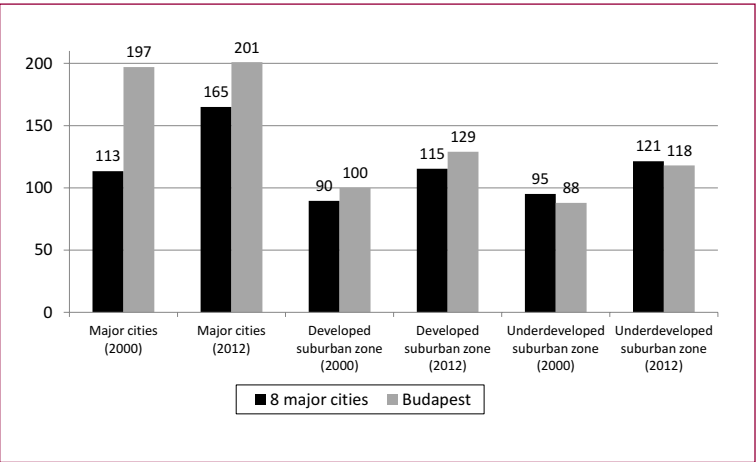
The analysis of the population of metropolitan regions by age group showed an aging population structure, which is a major social challenge for the future. The investigation of the number of

elderly per 100 juvenile i.e. the aging index shows, that Budapest is the most aging city, where both in 2000, and 2012 there were almost 200 elderly for half of that many young people. Differences can be detected between the suburban zones and core settlements. Suburban settlements – regardless of their development level – have younger age structure (see Figure 5.).

It is worth demonstrating how the extreme values of some cities affect the mean value. The indexes of the cities of Miskolc, Pécs and Székesfehérvár (180) are coming close to the value of Budapest, which means aging phenomenon is the strongest here. This correlates with population decline and out-migration. Typically, the young generation is missing from these cities. In Pécs the developed suburban zone has the lowest value. Of the core settlements Kecskemét has a fairly young age structure, suggesting that because of the new jobs created here mostly the young age group settled down in the city.

The results of the survey conducted in 2005 and 2014, well complement the statistical analyses. The empirical results also verify the aging process: between 2005 and 2014 in Budapest metropolitan region the proportion of elderly people (aged over 60) increased from 22% to 32.7%. In the same period, the proportion of 30-39 year-olds dropped from 22.8% to 18.75%. Hungarian metropolitan regions show similar trends: the propor-

Figure 5: Aging index by area-type (capita, per year; 2000, 2012)



Source: The author's edition based on Central Statistical Office data

Table 4: Aging index in urban regions (capita, in years; 2000, 2012)

	Major city		Developed suburban zone		Underdeveloped suburban zone	
	2000	2012	2000	2012	2000	2012
Kecskemét	82	104	88	99	61	76
Nyíregyháza	90	143	83	128	95	131
Debrecen	108	166	78	113	83	117
Székesfehérvár	113	181	83	118	103	124
Győr	121	173	118	118	117	118
Szeged	121	179	106	148	104	120
Miskolc	131	183	76	115	92	149
Pécs	141	191	85	84	106	136
Average of the 8 major cities	113	165	90	115	95	121
Budapest	197	201	100	129	88	118

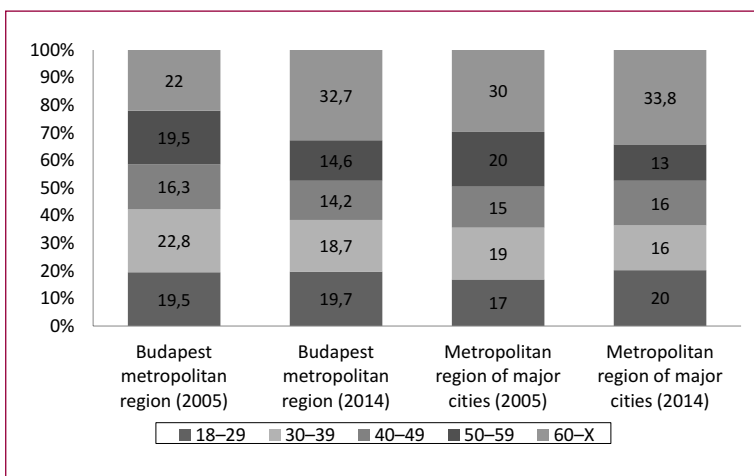
Source: The authors' edition based on Central Statistical Office data.

tion of elderly people has increased (between 2005 and 2014, from 30% to 33.8% respectively), while the proportion of 30-39-year olds has dropped. Meanwhile the ratio of 18-29-year olds has increased, which differs from the processes of Budapest metropolitan region (see Figure 6.).

In addition to aging, another demographic process is observable: the increasing proportion of single residents both in Budapest and in the metropolitan region of major Hungarian cities. In 2005, in Budapest metropolitan region the ratio of single people was 22.5%, which increased to 28.5% by 2014. In 2005, in the metropolitan region of major Hungarian cities the ratio of single people was significantly lower, even less than the value of Budapest (19.7%) but we can see that in 2014, single people in the metropolitan region of major Hungarian cities live already in a rate equal to Budapest (28.2%).

Changes can be observed in the proportion of married people as well: in 2005, the proportion of married inhabitants was lower in

Figure 6: Changes in the age structure in the metropolitan region of Budapest and in major Hungarian cities (% , 2005, 2014)



Source: Based on National Research Development Programme and TÁMOP questionnaire survey data, 2005, 2014

Budapest metropolitan region than in the metropolitan regions of major Hungarian cities (41.6% against 54.8%). In 2014, however, this difference disappeared: this proportion was 44.5% in Budapest metropolitan region and 43.4% in the metropolitan regions of major Hungarian cities. That means, the proportion of married people significantly reduced during the survey period, while their ratio even slightly increased in Budapest metropolitan region.

The indicators of the divorced in the metropolitan regions of major Hungarian cities are also worse: while between the two years of our survey the ratio of the divorced decreased from 17.4% to 13.2% in Budapest metropolitan region, in the metropolitan regions of major Hungarian cities the trend was just the opposite: increasing from 11.4 % to 13%.

Qualification and income status

In 2011, 25.7% of the country's employees were graduates. This ratio is 36% in the European Union, so the Hungarian value is significantly below the EU average. In the central region, due to the capital city's special employment situation, 36% of the employed were graduates while in other regions this value is significantly

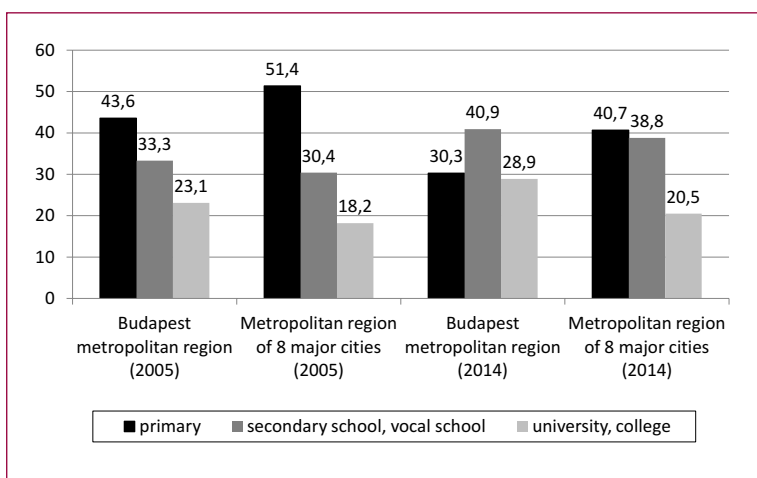
lower (20-23%) (*Foglalkoztatottság és munkanélküliség regionális különbségei [Regional Disparities in Employment and Unemployment]*, CSO, 2012, 9.). This highlights the significant degree of regional differences between Budapest and the country's other regions in the skills of the Hungarian population already existing for decades. According to data of the Central Statistical Office in 2011 the proportion of graduates in the villages was 7.6%, in the cities it was 12.9%, while in Budapest it was 20% (*A fiatalok munkaerőpiaci helyzete [The Labour Market Situation of Young People]*, CSO 2011, 12.). It is also clearly seen that the advantaged position of the population of Budapest and its metropolitan region in the training level and research-development activity is indisputable. The regional disparities in the Hungarian population's qualification level have not decreased in recent years, and especially the concentration of graduates in Budapest metropolitan region is becoming stronger (*Kolosi–Keller, 2012*).

The questionnaire surveys also verified this trend: the number of graduates in Budapest metropolitan region in 2005 and in 2014 was higher than the averages measured in the metropolitan regions of major Hungarian cities. In 2005 their ratio was 23.1% in Budapest metropolitan region, while 18.2% in the metropolitan regions of major Hungarian cities. In 2014 the difference in the ratio remained: in Budapest metropolitan region the proportion of graduates employed in the region was 28.9% while in the metropolitan regions of major Hungarian cities, by contrast, it was 20.5% (see Figure 7.).

There are significant differences in the population's educational attainment between the different types of suburban zones both in the metropolitan region of Budapest and of major Hungarian cities. The results of the 2005 survey also showed that the educational attainment of the population living in the nine metropolitan regions was declining as going outwards from the downtown areas, in the developed suburban zones it was increasing slightly, and in the undeveloped suburban zones it was declining again (*Szirmai et al., 2009, 65.*).

The results of the 2014 research also confirmed the earlier results. The level of educational attainment as going outwards of the city centre towards the periphery was decreasing; this trend is the same in the metropolitan regions of Budapest and of the major Hungarian cities. However, differences can be detected between

Figure 7: The distribution of the surveyed population by educational attainment in the metropolitan region of Budapest and of the eight major Hungarian cities (% , 2005, 2014)



Source: Based on National Research Development Programme and TÁMOP questionnaire survey data, 2005, 2014

the educational attainment of people living in different types of suburban zones in the metropolitan region of Budapest and major Hungarian cities. Inequalities are especially spectacular between maximum elementary school graduates and higher education graduates. In Budapest metropolitan region the ratio of primary education graduates is 14%, while in the metropolitan regions of major Hungarian cities we measured the multiple of this value: 41.2%. In the metropolitan region of Budapest, in developed and underdeveloped suburban zones the ratio of people with primary education was 37.2% and 33.8% respectively, while the metropolitan regions of major Hungarian cities this ratio reaches 55%. A higher proportion of graduates live in the city centre in Budapest metropolitan region (36.4%) than in the metropolitan regions of major Hungarian cities (24.5%). As compared to 2005, the lessening difference between the educational attainment of people living in developed and undeveloped suburban zones is a ‘new phenomenon’. In 2014 it was no longer possible to say that developed suburban settlements had higher proportion of graduates than the underdeveloped ones, because their ratio was about the same. In Budapest metropolitan region the proportion of graduates in underdeveloped suburban settlements even slightly surpassed the ratio of those living in developed ones (see Table 5.).

Table 5: The educational attainment of population in different urban zones in the metropolitan regions of Budapest and of the major Hungarian cities (% , 2014)

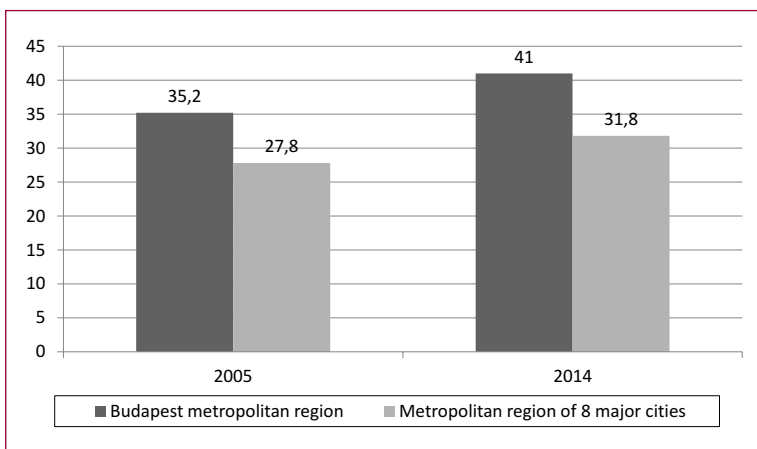
	city centre		transitional		outskirt		developed suburban zone		underdeveloped suburban zone	
	Budapest metropolitan region.	metropolitan regions of major cities	Budapest metropolitan region.	metropolitan regions of major cities	Budapest metropolitan region.	metropolitan regions of major cities	Budapest metropolitan region.	metropolitan regions of major cities	Budapest metropolitan region.	metropolitan regions of major cities
max. primary education	14,0	41,2	30,7	43,1	27,1	31,4	37,2	55,3	33,8	55,0
vocational school	8,4	15,7	11,3	14,5	9,2	14,3	13,2	14,1	20,6	16,4
secondary modern school	8,8	13,7	12,2	14,3	15,8	18,4	15,2	12,4	11,8	9,9
grammar school	32,4	4,9	15,4	9,2	15,8	10,2	11,7	6,5	9,9	7,0
diploma	36,4	24,5	30,3	18,8	32,0	25,6	22,7	11,8	23,9	11,7

Source: Based on TÁMOP questionnaire survey data, 2014

The proportion of people speaking a foreign language is an important indicator for the conditions of education. Today the knowledge of foreign languages is expected in several aspects by employers, especially foreign companies, firms. Foreign language skills undoubtedly increase the possibilities of finding a job. Despite the facts that today foreign language education is a high priority both in primary and secondary schools and in many cases graduation is subject to a foreign language exam, a significant part of the Hungarian population does not speak a foreign language (According to the Eurostat's 2012 survey, the ratio of people who do not speak any foreign languages is the highest in Hungary with a value of 65%). According to a Central Statistical Office survey, only 34% of the Hungarian population aged 25-64 can speak at least one foreign language. (With these figures we have the worst indicators in the European Union.)

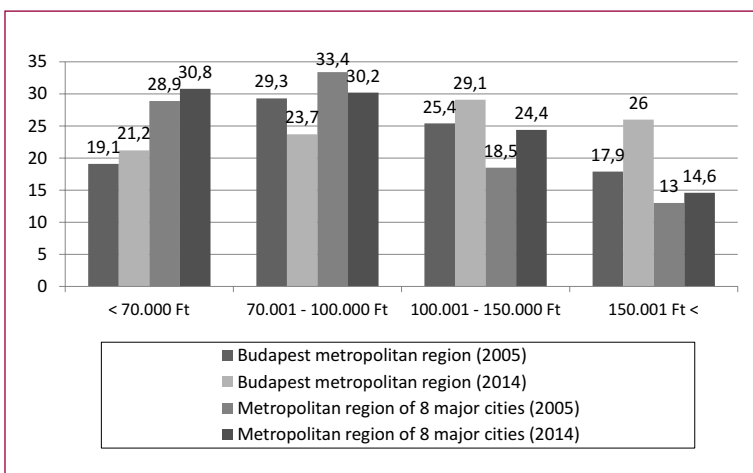
In Budapest metropolitan region in both years of our survey, 2005 and 2014, even a higher ratio of people spoke a foreign language than the average ratio of Hungarian metropolitan region. It is a positive trend that between these two years, both in the metropolitan regions of Budapest and of the major Hungarian cities the proportion of foreign language speakers has increased, although it was still significantly below the average of Budapest metropolitan region (see Figure 8.).

Figure 8: Changes in the proportion of at least one foreign language speakers in the metropolitan region of Budapest and of the major Hungarian cities (% , 2005, 2014)



Source: The author's edition based on National Research Development Programme and TÁMOP questionnaire survey data, 2005, 2014

Figure 9: The distribution of income categories in the metropolitan region of Budapest and of the eight major Hungarian cities (% , 2005, 2014)



Source: Based on National Research Development Programme and TÁMOP questionnaire survey data, 2005, 2014

Between 2005 and 2014 differences still existed between the income level of residents living in metropolitan regions, especially between the metropolitan region of Budapest and major Hungarian cities and their suburban zone. The survey conducted in 2005 already showed proportional differences between low-income and high-income earners in the metropolitan region of Budapest and major Hungarian cities. Data of a previous survey indicate a 19.5% of minimum wage earners in the metropolitan region of Budapest, but it was much higher in the metropolitan regions of major Hungarian cities, 28.9%. (Szirmai *et al*, 2009, 70.). In 2014 the proportion of low-income earners in Budapest metropolitan region was 21%, which means an increase. In the metropolitan regions of major Hungarian cities the ratio of this group is also higher, but not very much, 30%.

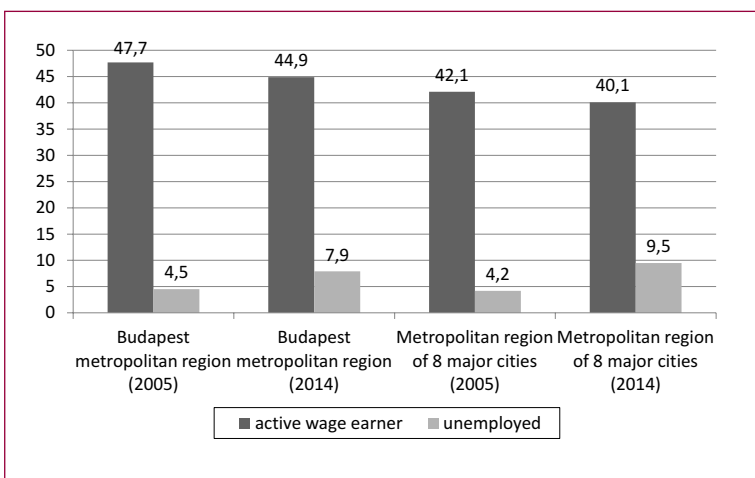
Between 2005 and 2014 the proportion of high-income earners increased in Budapest metropolitan region from 17.9% to 26%. This growth in the metropolitan regions of major Hungarian cities was minimal (1.6%) (see Figure 9.).

The economic activity of population

The economic changes of recent years, the negative consequences of the crisis are reflected in the activity indicators of the population as well. The questionnaires revealed that in the metropolitan region of Budapest the ratio of active wage earners exceeded that of the metropolitan regions of major Hungarian cities in both years. The unemployment rate is much lower in Budapest than in the metropolitan regions of major Hungarian cities, due to the extremely favourable employment opportunities of the capital city and its region. Although it is also a fact that both in Budapest and in the metropolitan regions of major Hungarian cities the ratio of active wage earners has decreased and the unemployment rate has increased (see Figure 10.). The higher growth rate of the unemployed in the metropolitan regions of major Hungarian cities is explained by the fact that they have been much more affected by the crisis than the capital city and its metropolitan region, which has stronger and more competitive economy, can adapt to changes more flexibly, and at the same time has a more educated society.

There are also significant differences concerning the respondents' position at work between those who live in the metropolitan region of Budapest and those who live in the metropolitan

Figure 10: The economic activity of population in the metropolitan region of Budapest and of the major Hungarian cities (% , 2005, 2014)



Source: Based on National Research Development Programme and TÁMOP questionnaire survey data

region of the major Hungarian cities both in the years 2005 and 2014 in favour of the inhabitants of the capital. The proportional difference concerning white-collar workers and executives is sharp, which is mainly due to the highly favourable economic and employment structure of the capital city and its metropolitan region, as mentioned before.

Compared to the 2005 survey in 2014, both in Budapest and in the metropolitan region of the major Hungarian cities changes can be observed in the job position of the interviewed persons. Between 2005 and 2014, according to the results of the surveys in the Budapest metropolitan region the proportion of self-employed people increased from 7.8% to 10.2%, while the proportion of employed managers reduced from 8.4% to 5.6%, respectively. The proportion of white-collar and manual workers slightly decreased as well.

In the metropolitan regions of the surveyed Hungarian cities the proportion of white-collar workers has also decreased, dropping from 26.4% to 24.7%. We can see a growth in the proportion of manual workers (increasing from 57.8% to 62.4%). The changes described above are correlated with the adverse macroeconomic processes of recent years; job redundancies as an outcome of the crisis, in many cases hitting better educated and higher-positioned employees (such as those working in the financial sector) as well. The decline may be correlated with the growing dynamics of the emigration wave starting in 2008, which mainly affects graduates and skilled workers (*Sik, 2012*). In the metropolitan regions of Hungarian cities the increasing proportion of manual workers may also be an indicator of the outmigration of graduates or of staff with advanced skills.

When comparing Budapest metropolitan region with the metropolitan regions of major Hungarian cities we can see both similarities and differences between the job position and the location of residents living in different urban zones. Both in the metropolitan region of Budapest, and of major Hungarian cities the presence of white-collar workers is over the average in the inner parts of cities, transition zones and in the outskirts, while it is below average in suburbs. In the metropolitan region of Budapest manual workers show patterns only slightly differing from the ones of major Hungarian cities. The presence of manual workers is greater in city centres in the metropolitan region of major Hungarian

Table 6: The distribution of population by job position category (% , 2005, 2014)

	Metropolitan region of Budapest		Metropolitan region of 8 Hungarian cities	
	2005	2014	2005	2014
Self-employed	7,8	10,2	7,3	7,4
Employed manager	8,4	5,6	5,9	5,5
Brain worker	34,1	33,0	26,4	24,7
Manual worker	52,3	51,2	57,8	62,4

Source: Based on National Research Development Programme and TÁMOP questionnaire survey data

Table 7: The respondents' job position in different urban zones in the metropolitan region of Budapest and major Hungarian cities (% , 2014)

	Self employed		Employed manager		White-collar worker		Manual worker	
	Buda-pest metrop. area	Major city metrop. area	Buda-pest metrop. area	Major city metrop. area	Buda-pest metrop. area	Major city metrop. area	Buda-pest metrop. area	Major city metrop. area
City centre	12,86	11,11	3,81	4,44	52,86	24,44	30,48	60,00
Transitional zone	9,08	5,40	4,11	5,04	35,79	24,10	51,01	65,47
Outskirts	9,24	10,13	5,55	6,43	36,41	30,39	48,80	53,05
Developed suburban zone	10,27	3,87	15,65	3,87	17,11	16,13	56,97	76,13
Underdeveloped suburban zone	13,95	5,10	1,18	5,73	25,53	12,74	59,34	76,43
Average	10,28	7,41	5,57	5,51	32,99	24,68	51,17	62,41

Source: Based on TÁMOP Project data

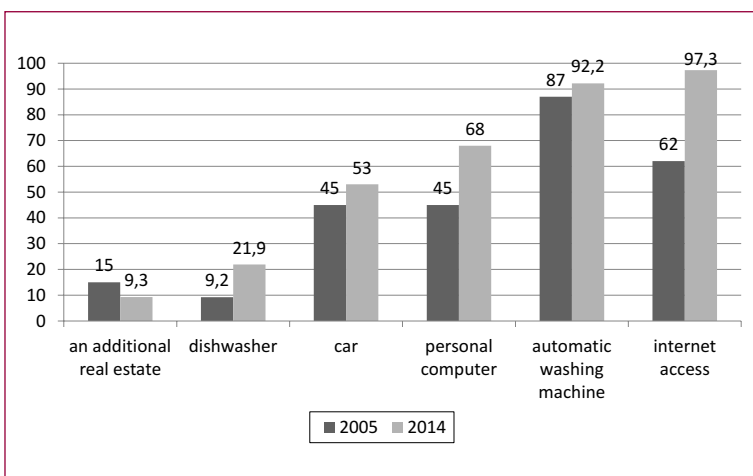
cities than in Budapest metropolitan region. What is striking here is the strong presence of employed managers in the developed suburban zones in Budapest metropolitan region. Brain workers in Budapest metropolitan region are typically concentrated in the downtown area, while in the metropolitan regions of major Hungarian cities they are located rather in suburban zones.

Equipment of households

The surveys on the equipment of households conducted in 2005 and 2014, very well reflect changes in the financial position of the general public. At the same time general conclusions should be drawn carefully, because with the acceleration of technological development (such as telecommunications equipment, including the general spread of mobile phones) the possession of certain tangible assets is no longer or less suitable to indicate changes in the development level of households in their complexity. However, it is a fact that in the surveyed metropolitan regions the overall development level of household facilities and equipment improved between 2005 and 2014. The share of households possessing washing machine, dishwasher, computer, Internet access and a car increased between the two dates. However, the possession of additional real estate properties became increasingly scarce, which may correlate with the economic crisis, with the pressure on living conditions, with deteriorating income positions and with the adverse consequences of the real estate market crisis.

There are significant social differences behind the equipment of households particularly in the cases of Internet access, car and, not surprisingly, an additional real estate ownership. Even the

Figure 11: The distribution of households by their facilities and equipment (% , 2005, 2014) (ratio of 'Yes I have' responses)



Source: Based on National Research Development Programme and TÁMOP project survey data

2005 survey revealed differences by educational attainment: in 2005, 18.5% of people with maximum primary education had a car, among graduates, this proportion was 64%. In 2014 the difference was similar; 29.1% of low-educated possessed a car, while among graduates, this proportion reached 78.6% respectively. Social differences were manifested in internet penetration as well, both in 2005 and 2014. In 2014 12% of people with low level of education had Internet access in their household while this rate was 38% among households owned by graduates.

Summary

In the nine examined Hungarian metropolitan regions demographic and social trends partly converged, but on the other hand, the metropolitan regions of major Hungarian cities still significantly lag behind the metropolitan region of Budapest.

One of the most dominant and unfavourable demographic trends is the continuously declining population of major Hungarian cities, the increasing intensity of migration (the declining number of inhabitants is an extremely serious problem in Miskolc, the centre of the Northern-Hungary region, struggling with economic and social problems and also in Pécs, the centre of Southern-Transdanubia). The two exceptions are the cities of Kecskemét and Nyíregyháza, where there was a slight increase in the number of the population over the past decade; this can be explained in both cases by the settlement of a multinational company.

The decreasing population of major Hungarian cities may partly be the outcome of residential suburbanization processes and the increasing population of suburban settlements. The accelerated aging of the population of metropolitan regions, especially of those living in core settlements has contributed to the changes. The migration losses of major Hungarian cities lasting for several decades also indicate that there is a serious and persistent lack of jobs in these regions, making people, especially the younger educated and active generation move to the country's more developed regions.

Compared to 2005, social differences between the metropolitan region of Budapest and of major Hungarian cities have not decreased. Although there has been an increase in the proportion

of university graduates, the lag is significant in comparison with the Budapest metropolitan region. Similarly, significant differences can be detected in incomes between the metropolitan region of Budapest and of major Hungarian cities in favour of the previous one. The increasing unemployment rate did not spare the country's more developed regions, major cities, and even Budapest and its metropolitan region either, but in major Hungarian cities, the proportion figures are much higher. This also indicates the rural concentration of serious economic and social problems and the vulnerability of rural areas as well.

Based on the results, as a summary, we can state that social differences between the metropolitan region of Budapest and the metropolitan regions of major Hungarian cities are significant; the demographic and social importance of the capital city and its metropolitan region has increased more than in the rural regions. If the processes described continue in the future, an accelerated social polarization can be expected between the capital and the major provincial cities.

The Spatial Social Characteristics of Hungarian Metropolitan Regions and the Transformation of the Core—Periphery Model²⁹

Viktória Szirmai – Zoltán Ferencz

Introduction

This chapter examines the spatial social characteristics of Hungarian metropolitan regions in order to explore and interpret their spatial structure and its changes by comparing the results of nine representative researches carried out in 2005³⁰ and 2014³¹ in nine metropolitan regions³² (with more than 100,000 residents).

²⁹ The publication was co-financed by the EU and the European Social Fund. It was prepared in the framework of TÁMOP-4.2.2.A-11/1/KONV-2012-0069 project titled: 'Social Conflicts – Social Well-Being and Security – Competitiveness and Social Development'.

³⁰ The research project implemented in 2005, was carried out within the framework of 'Urban Areas, Spatial, Social Inequalities and Conflicts - The Spatial Social Factors of European Competitiveness' research project implemented between 2004 and 2007, in consortium framework, with the financial assistance of National Research and Development Programmes. The leading institution was the Institute of Sociology of the Hungarian Academy of Sciences. The consortium members were Centre for Regional Studies, Kodolányi János University of Applied Sciences, PESTTERV Pest County Regional, Settlement, Environmental Planning and Consulting Ltd. and Fejér Enterprise Agency in Székesfehérvár. The head of research project was Prof. Dr. Viktória Szirmai. The sociological survey was conducted by TÁRKI Social Research Inc.

³¹ The 2014 research project 'Social Conflicts – Competitiveness and Social Development - Social Well-being and Security' was the result of TÁMOP 4.2.2.A-11/1/KONV-2012-0069 research project. The project was implemented between 2013 and 2015, also in a consortium, led by the Kodolányi János University of Applied Sciences and the members were Széchenyi István University and Hungarian Academy of Sciences Centre for Economic and Regional Studies Regional Research Institute. The head of research project was Prof. Dr. Viktória Szirmai. The sociological survey was conducted by TÁRKI Social Research Inc.

The two surveys were conducted almost ten years apart. This allows us to examine what happened to the social structure of Hungarian metropolitan regions in this period, to see how apparent (if at all) are the effects of social and structural changes, the economic crisis, and, most importantly, the effects of global-level urbanisation.

During the 2005 survey we believed to have captured not only an important moment but such one that would characterise the social structure and features of Hungary's metropolitan regions for a long time. However, during the next nine years, both the newest European urban development trends³³, and the newest studies of the Hungarian social structure³⁴ showed an increasing possibility of transformation in these previously recorded processes.

During the analysis, we wanted to know what characterises the social structure of Hungarian metropolitan regions and what changes can be observed in 2014 compared to the structural characteristics we found in 2005. Finally, we also wanted to see whether social polarisation mechanisms observed in European metropolitan regions are also present here.

The main assumption underlying our 2014 study was that the structure of metropolitan regions observed in 2005 would undergo a transformation in line with the characteristics of the contemporary European metropolitan regions. Accordingly, spatial social polarisation has increased along with social marginalisation.

Next, we will look at the empirical data. We will present the most important (historic) results of the 2005 study. Then, we will indicate the trends present in 2014 by comparing this to current data. We also have the opportunity to present a 2010 snapshot of the Budapest metropolitan region. This was necessary because here the impacts of the above mentioned changes³⁵ were already perceptible. At the end of the chapter, we will answer the initial questions and summarise the principal trends.

³² In both cases, the research sample areas were the nine major cities of Hungary, Budapest and its agglomeration, and eight Hungarian cities with more than 100,000 inhabitants: Debrecen, Győr, Kecskemét, Miskolc, Nyíregyháza, Pécs, Szeged and Székesfehérvár, and their metropolitan region. The research was built on a number of methods, but the most important was a representative questionnaire survey based on 5,000 people interviewed.

³³ See their presentation in the introductory chapter and in the sub-chapter on the well-being issues of the European urbanization periods.

³⁴ See the relevant findings on social structure in the introductory chapter.

The historical background

The 2005 study started from the assumption that the model along which Hungarian metropolitan regions historically developed involved a centre of high social status surrounded by a periphery of low social status³⁶. (After the turn of the century, for example, higher-status social groups in Budapest inhabited inner districts, while up to 1950, lower-status groups lived in Budapest's suburban zones, industrial districts and in peripheral settlements³⁷.) During the socialist era, the historical core–periphery social inequality model had changed with the declining prestige of the city centre, urban decay, and the quasi-suburbanisation processes that followed the development of new real estates in the outskirts of cities, though living in a Hungarian city centre (or in any city centre in Europe) has always been an object of value. The European middle class has never rejected the inner parts of the city in the same way that wealthy classes did in the US, so moving to suburbs has never reached the levels experienced by American metropolises. This still holds true today as people living in metro-

³⁵ The research project '*Sustainable Consumption, Production and Communication. Social Mechanisms and Vested Interests in Defining the Modern Consumer Models. The Social and Spatial Model of Sustainable Consumption*' implemented between 2009 and 2011 was carried out in consortium, led by Corvinus University in Budapest with the financial assistance of Norway Grants (Norwegian Financial Mechanism). (Reference no.: 0056/NA/2006-2/ÖP). The partial research conducted by the Institute of Sociology of the Hungarian Academy of Sciences was headed by Prof. Dr. Viktória Szirmai. The results are provided by a representative questionnaire survey of 1,000 people in the metropolitan regions of Budapest.

³⁶ The core–periphery model here is used in social geographic and sociological sense. In geographical terms, centre means the spatial centre of a specific geographical unit; periphery means the outlying areas of the particular geographical unit. Between centre and outlying areas there may be historically changing economic, infrastructural, functional and social disparities and inequalities. These inequalities mark the positions of the spatial geographic centre of the unit and the ecological positions of periphery as well. In sociological terms centre and periphery express the position of population located in the geographical space in the social hierarchy in the centre and the social status of population living in the periphery. As a result of the 2005 survey in our 'traditional' core–periphery model the population's position in the social hierarchy was the highest in the geographical centre and moving outward from the city centre it was gradually decreasing as a tendency.

³⁷ In Budapest this kind of core–periphery model never prevailed clearly; in the city centre always lived lower-status groups as well; partly for urban planning, architectural reasons, partly because of the composition of urban society, and partly as a result of the low percentage of higher and middle classes.

politan city centres (including the middle class) value the advantages it provides. While evaluating migration processes, it was clearly visible that in 2005 only a minority of city centre residents strived to move out of the city centre.

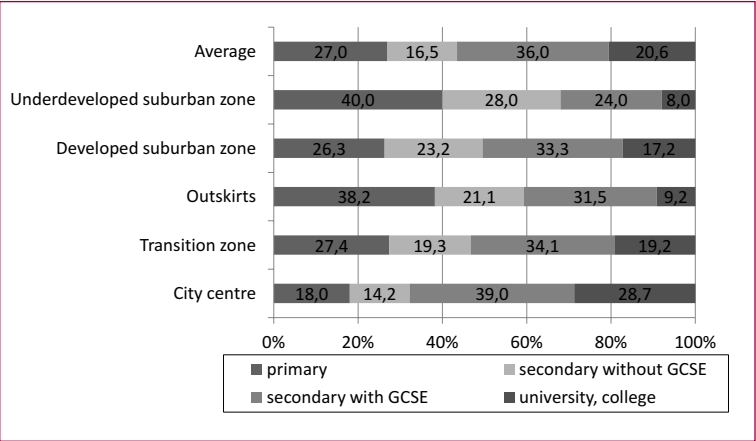
The processes of this transition transformed the traditional core–periphery structure by partially strengthening and partially reorganising it. The representative sociological study conducted in nine metropolitan regions in 2005 showed a definite spatial social hierarchy not only between cities and their suburban zones but also in the internal structures of cities themselves. According to the study, going from the city centre towards outskirt districts and suburban zones, the number of people in higher social status (who are highly educated and perform qualified jobs) hierarchically decreased while lower status groups (who were low-skilled or unqualified) showed an increasing concentration.

This hierarchy seemed to be clear, as long as urban regions were analysed in general and not according to their level of development. As soon as we started to examine the social structure of developed and underdeveloped urban regions separately³⁸, there was no longer a clear hierarchical trend between the population's education level and its distribution. As a result, in the case of developed urban regions there was no longer a clear 'social downward slope' (in terms of education and qualification) that stretched outwards from the city centre toward suburban zones. Instead, this decrease in social status stopped at the surroundings, as those had highly developed infrastructure (see Figure 12. and 13.). This revealed that the urban area is comprised of spatial social units with differing social statuses, some higher and some lower. The reason for this was that there were zones and villages in the metropolitan region which were inhabited by social groups of higher or lower social status.

The changes were caused by the strengthening of certain layers of the urban middle class, the bettering of their financial situation and the resulting requirements for new housing which led to their need to 'occupy' better suburban settlements – altogether stimu-

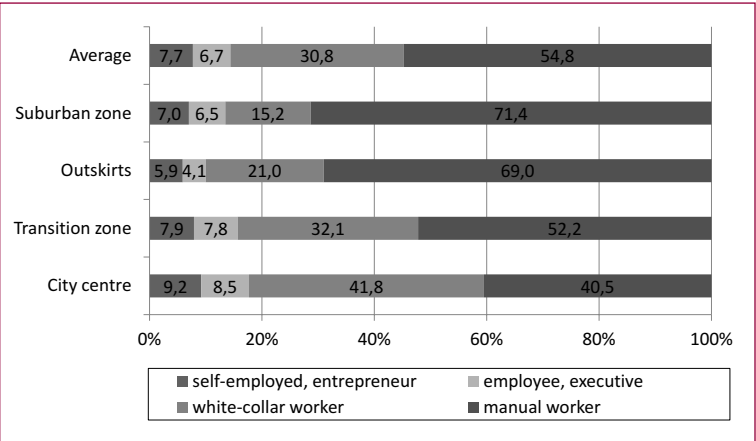
³⁸ The developed and underdeveloped suburban zones in 2005 and 2014 were marked out in a similar way: by using the so-called rank number method based on the statistical data defined by the research team. The ranking included different indicators of accessibility, housing, public and higher education, health care, entrepreneurial activity, taxation, income, employment, unemployment, mobility, and social care.

Figure 12: The distribution of the residents of the nine metropolitan regions by educational attainment (% , 2005)



Source: The authors' edition based on National Research and Development Programme survey data

Figure 13: The distribution of the population of the nine metropolitan regions by job position (% , 2005)



Source: The authors' edition based on National Research and Development Programme survey data

lating the process of suburbanisation. Another determining factor was the displacement of lower status social groups from better neighbourhoods to less developed, more disadvantaged suburban settlements. This was caused by the city centre’s transformation and citification, leading to increased real estate prices. The transition changed the economic value of the peripheral zones of urban regions. While most of the economic potential was still concen-

trated in metropolitan city centres, the needs of global economy, the location choices of transnational and multinational companies, and companies located in background settlements increased the economic role of metropolitan regions.

According to the results of the 2005 research project the core—periphery model was still functioning to a certain degree in Hungarian metropolitan regions since people of higher social status usually inhabited cities and their central districts while those of lower social status lived in outskirt districts and urban peripheries. Back then, this phenomenon was named as dual hierarchical spatial-social structure (see Szirmai, 2009, 119–123.). However, the transformation of spatial social, structural characteristics, the differentiation of the societies of urban regions, and the higher social status of population in more developed areas all signalled the new features of the traditional core—periphery model, the restructuring of the social characteristics of the peripheries as well. Based on this, we concluded that the traditional core—periphery model did not fully apply to Hungarian urban regions: the spatial, ecological and social downward slope (that existed between the two ‘endpoints’ of city centre and periphery) was broken by the social structure of developed urban regions and the higher percentage of higher-status groups (see Figure 16. below).

After analysing the data gathered in 2005 we were uncertain about the future development of the spatial social structure as multiple scenarios seemed possible. According to one, the most realistic option was a strengthening dual-structured core—periphery model. In this possible future model, the social value of the centre would continue to rise, especially if the outflow of higher-status people slowed down or their backflow increased. This seemed realistic if city centre regeneration processes were extended, if the gentrification of inner neighbourhoods strengthened, or if urban area development would not improve significantly, if the social prestige of urban regions was to drop.

Another possibility was that the prestige of certain parts of the urban regions would rise, along with the number of higher-status suburbs and suburban settlements. This would be made possible by the outward migration of higher-status inner-city residents, but especially by the middle classes’ longing for out-migration (as indicated by the 2005 research). However, this would require urban regions to develop more dynamically than they do today. The con-

tinuation of the isolated regeneration of city centre quarters may strengthen the outward migration of the middle classes.

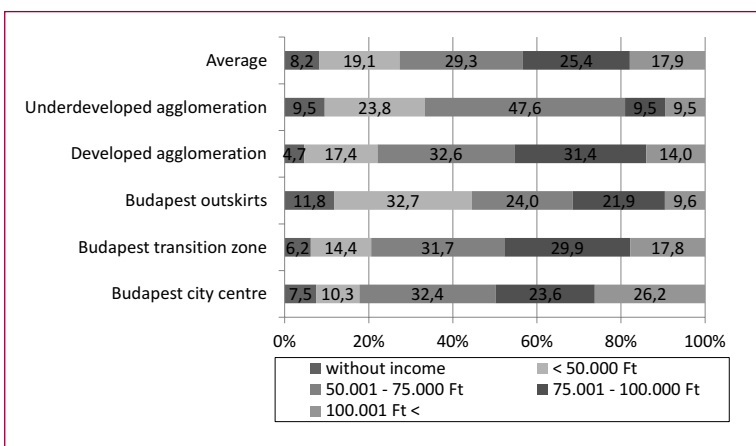
So it seemed that the future of the dual model is principally determined by how social structure and spatial social inequalities would progress and what kind of spatial mobility strategies could arise from the situation, options and satisfaction of major occupational groups. However, research results from 2014 reveal that events occurred along a third, new scenario which incorporated both the first and the second one.

Processes perceived in Budapest metropolitan region

The emerging signs of the new scenario were already perceptible in the 2010 survey of Budapest metropolitan region. This new scenario showed the previously mentioned European trend that predicts an increase in social polarisation in urban regions along with an accelerating social exclusion.

According to the results of the Norwegian project³⁹, the comparison of the 2005 and 2010 distributions of the residents' net

Figure 14: The distribution of population by net monthly income in the different zones of Budapest metropolitan region (% , 2005)

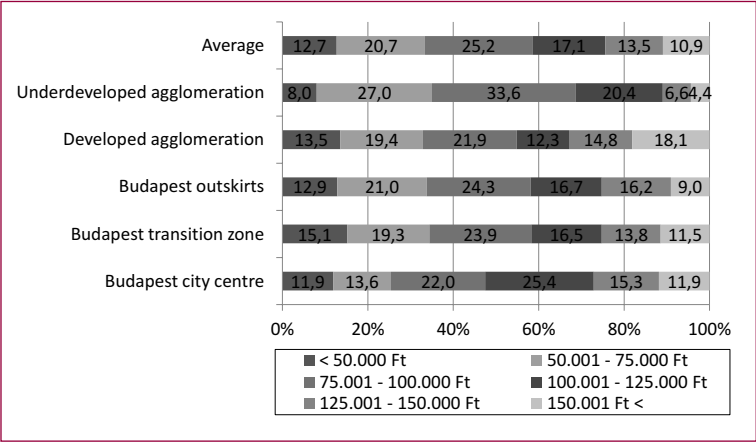


Source: The authors' edition based on National Research and Development Programme survey data

³⁹ See the project' details in footnote No. 35.

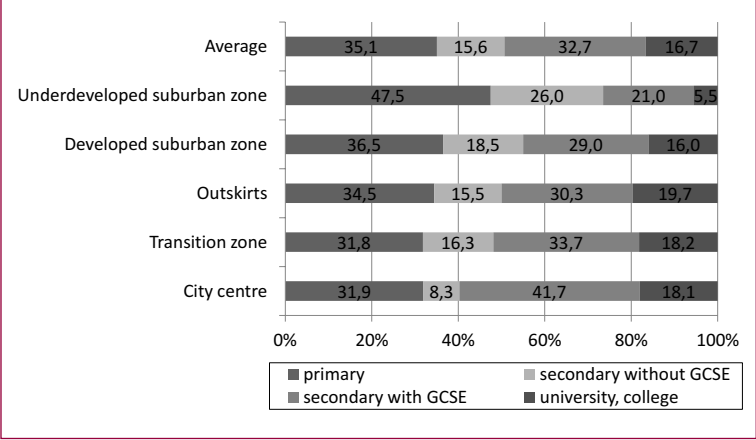
monthly income between the different zones of the studied Budapest metropolitan region shows an important change: compared to the average, in 2010 the concentration of high earners strengthened in the city (and not just the city centre), as well as in suburban settlements. A study by Zoltán Kovács cites similar trends (Kovács, 2014).

Figure 15: The distribution of population by net monthly income in the different zones of Budapest metropolitan region (% , 2010)



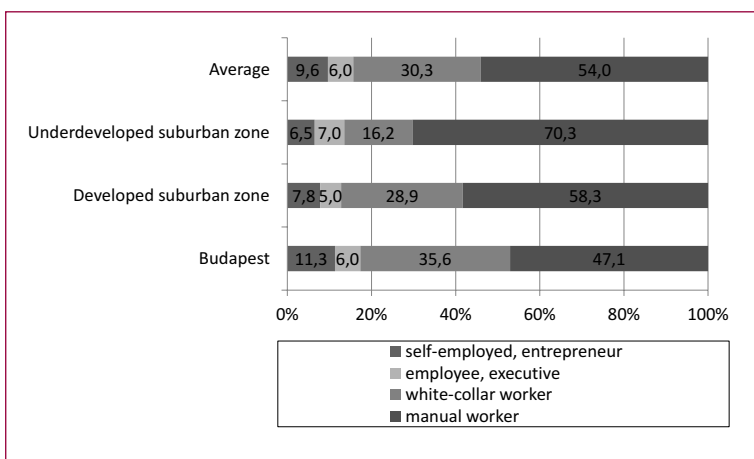
Source: The authors' edition based on Norway Grants questionnaire data

Figure 16: The distribution of population by educational attainment in the different zones of Budapest metropolitan region (% , 2010)



Source: The authors' edition based on Norway Grants questionnaire data

Figure 17: The distribution of residents by major occupational groups in the different zones of Budapest metropolitan region (% , 2010)



Source: The authors' edition based on the Norway Grants questionnaire data

The distribution by educational attainment between 2005 and 2010 also verified the change, the formation of a new spatial social dichotomy (see Figure 12. and 16.). This dichotomy was manifested in the tight seclusion between socially converging cities, developed urban regions and underdeveloped urban regions. The new distribution is due to highly-educated people moving towards the outskirt zones of the city, 'occupying' certain outskirt districts. Namely to the fact that in developed urban regions the presence of more qualified groups is in accordance with the sample average but their presence is much higher than in underdeveloped outskirt districts. It is important to underline that the percentage of manual workers in the underdeveloped metropolitan regions of Budapest was significantly higher compared to both Budapest and the sample average (see Figure 13.).

Transformation of spatial social structure: the situation in 2014

The 2014 survey showed a partial prevalence and also a partial transformation of the previous characteristics of the social structure of metropolitan regions. These new processes are in many

aspects similar to the phenomena already detected in Budapest metropolitan region in 2010. One of the most important trends of the new data is that, compared to 2005, in 2014 the social hierarchy of urban regions seems to be loosening as the social structure of certain urban neighbourhoods is becoming more balanced.

Gentrification of cities

Among the reasons for the balanced structure, we must first mention the gentrification of cities, that is, a larger ratio of higher-status people. Behind this there are nationwide processes, such as the increasing ratio of college and university graduates: according to the 2011 census, 18.2% of people aged 25 and over had a college or university degree, which was triple of the ratio in 1980 – however, this percentage is projected to shrink due to the current barriers to entry into higher education. Even differences in the sampling of the 2005 and 2014 studies reflected this change in the percentage: in 2005, 18.4% of the sample population were graduates, compared to 25.9% in 2014. Gentrification is shown to be strengthening, as the percentage of graduates significantly increased between 2005 and 2014 in all the parts of metropolitan regions, in various city zones, and in urban peripheries too. (Meanwhile, the percentage of people with secondary grammar and technical school education decreased or, in some zones, stagnated.)

The reasons for these higher percentages are, on one hand, the outward migration of highly educated people from the city centre towards outskirt districts and, on the other hand, their ‘occupation’ of new urban regions. This can be called a new type of internal suburbanisation model⁴⁰, where people do not leave the city but instead move to parts having more rural characteristics – thanks to the gated residential communities built for the middle classes. Traditional suburbanisation is still ongoing but it is slowing down and makes up a smaller proportion of outward migration. Many also come back to cities, dissatisfied with suburban settlements – in other words, due to the relative failure of the Hungarian

⁴⁰ There has already been an example for this in the history of domestic urban development during the 1970s, the 1980s, when higher-status social groups living in the inner parts were flowing out to new housing estates built in the suburbs.

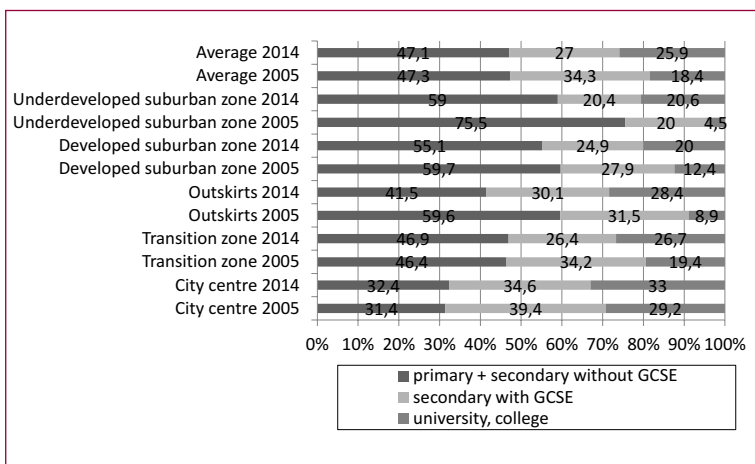
suburbanisation model. Behind the increase in urban population we can find population concentration processes: hardships in rural living circumstances in regions with a well-being deficit leads to many people seeking work again in cities or their peripheral zones.

Changes in the spatial distribution of education level, occupational structure, and income, and the comparison of processes in 2005 and 2014, clearly show the main directions of changes (see Figures 18., 19., 20.)⁴¹.

Analyses show that in 2005 while moving out from the city centre towards outskirt districts the ratio of people with secondary and tertiary education went down whereas the number of less educated people went up. However, in 2014, these two hierarchical trends seem to be subsiding. People of the highest social position (those with college or university degrees and the highest incomes) make up an increasing percentage of city centre residents, although their number has also increased in outskirt districts.

According to migration data from the 2005 and 2014 studies, outward migrations partly originate from dissatisfaction with city

Figure 18: The distribution of population in the nine urban regions by educational attainment by zone categories (% , 2005, 2014)



Source: The authors' edition based on National Research and Development Programme and TÁMOP research

⁴¹ The breakdowns in the two years were intentionally given in the same figure, for a better comparison.

centre quarters and from the quality (or price) of apartments, and partly due to the fact that people moving from other regions, smaller municipalities to larger cities have decidedly bought (or built) real estate in the outskirt districts of the city due to lower prices compared to the city centre.

According to migration data, since 2008, half of the college and university graduates in developed urban regions had moved there from other settlements, while this ratio is 68.4% for underdeveloped urban regions. For graduates, outflow has strengthened in the last few years, compared to 2005 when they mostly intended to move within the city. The majority (41.5%) of those remaining in their current municipality intended to move to a detached house in a high-status suburban zone; to a gated residential community (19.7%) and to a brownstone district (4.9%). Graduates who wanted to move to a nearby settlement did so either because they pursued rural environment, better employment, or more favourable real estate prices. Those who cited environmental or employment reasons wanted to move to a different city in the same county.

Half of the highest earners moved to their current residence after 2000. Since 2008, moving from another part of the settlement to its transitional zone (59.1%); moving out to the peripheral districts of the city (76.7%); and moving from another settlement to a developed urban zone (59.1%) have been the most prominent migration patterns. Among the highest earners, 25% have migrated to underdeveloped urban regions since 2000. 19.5% expressed their desire to move to a nearby municipality within the county.

Migrations inside municipalities were mostly motivated by demands for moving to high-status housing estates (19.7%), to high-status garden city zones with detached housing (41%), and to gated residential communities (18%). The highest earners who would move to nearby small settlements would do so for a rural environment, better job prospects or more favourable real estate prices. (Those who would move due to unfavourable environmental conditions or family reasons would move within their current municipality.)

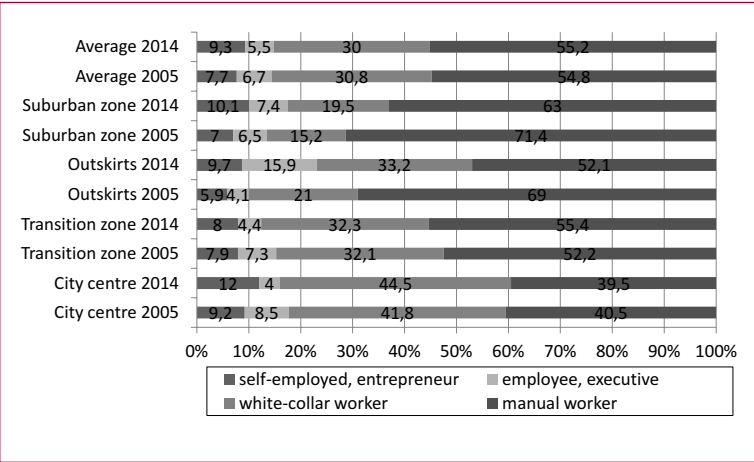
As a result of migrations and territory occupations, by 2014 the proportion of graduates had risen in all parts of the cities we examined (even exceeding the sample average), while in 2005 their percentages only exceeded the sample average in city centres and transitional zones.

During this period, labour and income distributions had also changed due to the trends mentioned above. In 2005, while moving out from the city centre towards outskirt districts the share of brain workers steadily went down while the share of manual workers went up. In 2014, this hierarchical order breaks in suburban regions, with the number of brain workers rising and the number of manual workers falling. Income data shows the same trend (see Figure 14.).

These processes lead to a new social content in the suburbs; places previously regarded as working class neighbourhoods now seeing a rise in middle class presence and a smaller percentage of low-status groups. From Zoltán Kovács’s study we already know that real estate prices and environmental factors have made Budapest’s outskirt districts an attractive target for young graduates and families with children (Kovács, 2014), while local facilities proved to be too expensive for lower-status people, driving them out from the city. Presumably the transformation of other suburbs was driven by similar factors.

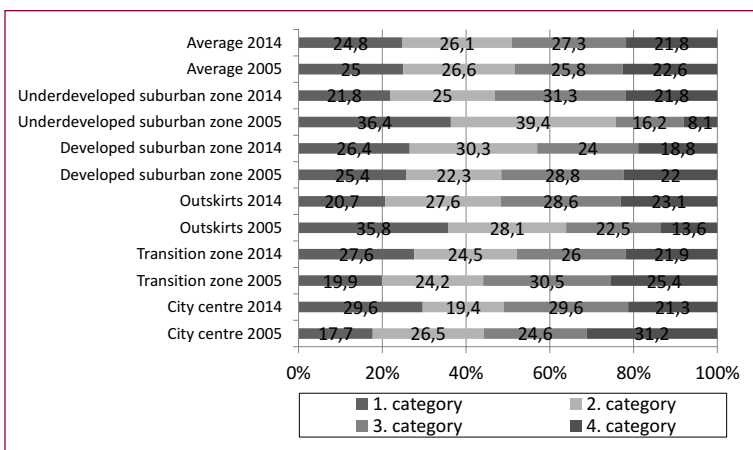
In 2005, people with secondary education (but without GCSE) were present in above average ratio in the transitional zone and the suburbs. In 2014, their presence in all urban zones is below

Figure 19: The distribution of population by occupational groups in different zones in the nine metropolitan regions (% , 2005, 2014)



Source: The authors’ edition based on National Research and Development Programme and TÁMOP research

Figure 20: The distribution of population by monthly net income categories in the nine metropolitan regions, by zone (% , 2005, 2014)



Source: The authors' edition based on National Research and Development Programme and TÁMOP research

Income category values (quartiles) in 2005: 1. category: under 43,000 HUF; 2. category: 43,001 to 62,500 HUF; 3. category: 62,501 to 87,500 HUF; 4. category: over 87,501 HUF

Values of income categories (quartiles) 2014: 1. category: under 70,000 HUF; 2. category: 70,001 to 100,000 HUF; 3. category: 100,001 HUF to 150,000 HUF; 4. category: over 150,001 HUF

average. Their presence is only higher in underdeveloped suburban zones. In 2005, people with secondary education (but without GCSE) were only present at above average ratio in city centres. In 2014, their presence is above average in city centres and also in suburbs.

The phenomena of social exclusion

The graduates' 'occupation' of certain urban spaces does not mean that lower social groups (low-skilled, low-earning groups) have been completely displaced from urban zones, as they are still present and in certain zones they outnumber other groups.

Although we are aware that poverty is not exhaustively defined by low education or low income, but it is obviously correlated to both. We know from statistics that poverty has increased in Hungary, just like in other EU member states (*see the analyses in the introductory chapter*).

At first glance it is surprising to see a contradiction between growing poverty and the trend that the number of people with

only primary education has been steadily decreasing in recent years while participation in higher education has continued to grow. In 2012 and 2013 there were some 743,000 people in full-time education. It was by 5,000 less than in the previous year (*Statistikai Tükör*, Vol. 7, No. 32, 30 April 2013, CSO). Dropouts are also numerous, with many leaving even secondary education at a very early stage.

Our data indicate that poverty does not only affect groups with low level of educational attainment. Although due to limited income data, we can only imprecisely estimate how much of poverty is related to low income but relative poverty is indicated well by our results. One third of people with primary education are struggling with major financial problems. Somewhat more numerous are people who live from paycheck to paycheck. One fifth of people who have not finished secondary education have monthly financial problems, and even one tenth of those who have finished it, said so.

These processes correspond to national trends (*Gabos et al.*, 2013, 47.). The educational attainment of the household's main earner is one of the most important characteristics correlating with the risk of poverty. In the 2000s, poverty among households where the main earner completed primary education at most was 6 to 14 times as much as in those where the head of the household held a college or university degree. By 2012, this ratio had increased to 20. The main reason for this is the increased risk of poverty among the low-educated population. The rate of poverty also increased from 15% to 18% among households where the main earner held a vocational school education. In cases, where the head of the household finished secondary or tertiary education, the indicator (6% and 2%, respectively) did not change between 2009 and 2012.

However, according to national data, the number of people who only finish primary education is still significant. In 2011 they made up 27% (*CSO 2011 Census*, 3. National data, Budapest, 2013). People who did not complete primary education make up an additional 4.9%. The two groups altogether make up 31.9% nationwide. According to our research, metropolitan region residents who completed primary education at most made up 34% in 2014.

Also relevant to our urban research is that people who live in Budapest or in cities with county rank are more likely to have at

least completed primary education than those living in smaller towns and municipalities (*CSO Microcensus, 2005*). The latter have even worse chances for that than urban residents.

According to the CSO data, a large percentage of these people are from older age groups. This may mean that the situation may be correlated to the ageing of Hungary's population, and to the fact that many people who had completed primary education could not later break out from their social status, and neither could their children.

The issues of urban poverty is a high priority research topic in contemporary urban sociology literature for several reasons as they represent the other extremity of social polarization, namely the appearance of low-status groups in cities and at the same time they are the indicators of the phenomena of social exclusion. Social exclusion processes exist in other European metropolises as well, (and they are especially prominent in American ones). These processes can be actively mobilised through an urban policy of deliberate exclusion⁴². Various programmes can also lead to exclusion if they are market-based and are not social rehabilitation programmes. Over the last decade, urban regeneration programmes have been implemented in almost all of the major Hungarian cities, mainly funded by the EU. These programmes aimed to strengthen the city centre's functions and to develop it from an environmental and infrastructural point of view. In some zones, these programmes assisted to the renewal and amelioration of old houses and flats and even generated new housing development projects. This had an effect of increasing the price of real estates, housing and rental housing (*Enyedi-Kovács, 2006*).

Our empirical data show that in 2005 the least educated groups mostly lived in the outskirts of cities while their presence in other neighbourhoods was smaller. Their presence was minimal in city centres. If we look at things on a metropolitan region level, they mostly lived in suburban zones where their percentage was higher than in the city, regardless of the level of development of a particular area but compared to the average, their presence was the most dominant in underdeveloped settlements. In 2014, they are

⁴⁰ For this we have seen unfortunate examples in Miskolc, where the disadvantaged Roma population was consciously forced to leave their flats and move out of the city, relying on anti-Roma opinions perceiving among the local population.

more present in the city centre than they were in 2005 but their number is still well below the average. In the transitional zone, their number corresponds to the average, while in the suburbs their number has dipped very low, much lower than the average, which is a significant change. (However, their number is higher than the average in metropolitan regions, especially in developed suburban settlements.)

The presence of people in suburbs with only primary education is a special case: while the lowest-educated groups had the highest presence in the suburbs in 2005, they are the least present there in 2014; their number is well below average. Their concentration is even lower in the city centre and the transitional zone.

The relatively significant presence of low-skilled, low-income population in certain neighbourhoods shows the increasingly urgent problem of urban poverty and also raises the problem of social tensions caused by segregated 'islands' inhabited by poor and low-income people.

Our research shows that the low-skilled inhabitants are mostly present in the same neighbourhoods with low-income households. (These places were the suburbs and suburban zones in 2005, and the city centre, the transitional zone and 'developed' suburban settlements in 2014.)

In 2014, more than half (52.1%) of the lowest-educated people (those who completed primary education at most) live in neighbourhoods that belong to the category of the so-called average housing market. More than a quarter of them (27.8%) live in areas considered cheap. More than a third (37.5%) lives in a single-storey detached or semi-detached house, while those who live in either residential complexes or in a non-greenbelt area apartment both make up 22%. Based on this, we can say that the housing situation of the poorest groups has slightly restructured and improved. Compared to 2005, the biggest growth has been in the number of people who live in old detached houses (+11%) as well as in the number of those who live in apartment blocks (+9%). There was a significant decrease in residents of old tenement buildings (-6%) and emergency housing (-14%). This change can be the result of urban regeneration programmes.

38% live in spaces smaller than 50 m² and a similar 38.7% in spaces sized between 51 and 80 m². Only one sixth live in a larger (i.e. 81–100 m²) apartment. In general, the size of living spaces

inhabited by the poorest has increased compared to 2005. The percentage of apartments smaller than 50 m² has significantly decreased (-14%). This difference can be mostly attributed to a growth in apartments in the 51–80 m² range, as the percentage of people living in apartments larger than that did not change over the past nine years. We did not see a significant improvement in comfort levels. In 2005, 6% of living spaces were not fully equipped; this had been a 1% decrease.

10% of the lowest-educated people have a mortgage on their home and only about a third of them (32.4%) do not have any problems paying their monthly overhead expenses, meaning the majority do (CSO 2011 Census).

Cities and their environment

The comparative analysis of urban and suburban social structure showed obvious social gaps even in 2005. The 2014 data on education levels, labour structure and income distribution, indicate the strengthening of these dichotomous differences between urban and suburban populations.

Compared to the lower urban prevalence of low-educated and manual workers, suburban regions see a larger presence in underprivileged social groups and less of qualified and brain workers. In our opinion, this dichotomy was less marked in 2005 because there was a higher percentage of low-educated people and manual workers in the cities' outskirt districts. As the percentage of these groups in cities fell between 2005 and 2014, we can notice the new trend of increasing social polarisation between cities and their environment.

However, the social structures in differently-developed neighbourhoods seem to be converging. (This is especially visible if we compare Budapest metropolitan region with other urban regions: the convergence between developed and underdeveloped parts is evident in all eight cases. For instance, education levels show little difference in 2014 compared to the differences seen in 2005.) In 2005, the presence of the lowest-educated groups in underdeveloped urban regions was well above average, even compared to developed settlements and municipalities. In 2014, their percentages dropped significantly, and their presence was converging in both developed and underdeveloped settlements and municipali-

ties. Groups with secondary and higher education behave similarly in suburban regions as they did in others: higher-qualified people tend to live in developed settlements and less-qualified people in underdeveloped areas.

The convergence of suburban settlements with different levels of development (especially in their infrastructure) is facilitated by urban sprawl, that is, the exodus of high-status social groups. It is caused partly by departure from cities (and therefore, by suburbanisation), and partly by nationwide population concentration processes. New housing developments in these regions offer attractive conditions especially for the middle class. The result is that compared to that measured in 2005, 2014 saw a significant increase in the proportion of graduates for each of the two types of neighbourhood.

Summary

The results of the comparative studies of metropolitan regions show that inequalities in social structure⁴³ are also manifested spatially in a special manner: higher-status groups gradually displace lower-status groups (especially from cities), thus expressing their social advantages in the form of having access to better regional conditions.

Lower-status groups obviously, also live in cities but most of them reside in suburban settlements. This process explains why the hierarchical character of the Hungarian metropolitan-region's social structure is becoming balanced; why the social and ecological 'downward slope' stretching from the city centre to suburban settlements is softening, and why the wage, qualification and education capacity is becoming more evenly distributed. The spatial social hierarchy is mostly formed by the spatial social polarisation between the city and its environment, and less by the urban area as a whole.

For a long time, gentrification had been a characteristic feature of city centres which was caused by the functional changes of the city centre; citification, urban regeneration projects, and especially

⁴³ See their short summary in the introductory chapter.

due to the needs of the global economy, since the decision-making functions of the global economy remain in cities (*Enyedi, 2012*). Today, however, gentrification affects an increasingly larger part of cities due to city inhabitants' increasing 'commitment to urban spaces, decreasing demands for migration'⁴⁴, and also due to the return of many parts of the suburban middle class back to the city. Mostly they are the ones who were disappointed by conditions in the suburbs and were brought back by the living conditions offered by cities. Therefore, we are now witnessing a widening of the gentrification phenomenon (in Hungary and elsewhere too), where the percentage of the higher-status population is increasing due to a bigger and more visible presence of the middle classes.

We can also see the development progress of a new suburbanisation model. This model is forming as a result of the 'spatial occupation' of high-status groups – namely, due to migrations toward previously derelict suburban zones that now are undergoing development, (which also involves the construction of new flats). The attractiveness of these new neighbourhoods is partly the result of renewing social structure and favourable ecological characteristics, but it is mostly due to the new way of suburbanisation simultaneously ensuring both urban and quasi-rural characteristics. Behind this new structure are the characteristic mechanisms of urban sprawl: high-status groups, who traditionally migrated outward in the process of suburbanisation, now gaining territorial control in new directions.

A significant change is the new social content of previously 'underdeveloped' suburban settlements, behind which we can find the 'spatial occupation' of high-status people displacing low-status groups. It still remains in question what new infrastructural changes (if any at all) the area's new social content will induce. If not, that can cause more social movements.

In 2005, we assumed two possible social structure scenarios. Based on the ongoing processes in 2014, a third, slightly different scenario has unfolded, which includes the previous two as well. In

⁴⁴ The empirical survey of metropolitan regions shows that the majority (three quarters of respondents) living there neither in 2005 nor in 2014 did intend to leave their current place of residence. Between the two years studied the proportion of all those wishing to move out both in the case of the eight rural metropolitan regions and Budapest showed a declining trend.

this model, the dual structure of the core–periphery model has further strengthened, the social value of the centre has further increased due to gentrification and because the outward migration of higher-status people has slowed down and urban regeneration projects have even accelerated their backflow. Meanwhile parts of the urban area have seen an increase in social prestige, especially in previously ‘underdeveloped’ settlements. This is in part due to the outflow of higher-status social groups and partly due to rising real estate and apartment prices in big cities, leading to younger families choosing these localities. Fundamentally, this model corresponds to the latest European urban development trends – thus, global urbanisation trends too.

Social Well-being Characteristics and Spatial-Social Determinations⁴⁵

Márton Berki – Levente Halász

Introduction

Our study presents the social well-being of people living in Hungarian large cities and their urban regions (in a Stiglitzian sense), its spatial and social differences, and the mechanisms behind the most important differences.

The decisive majority of existing studies and quantification experiments on well-being have been conducted on a national scale (that is, they compare the well-being of countries according to various indices). To date, few studies have been made that measure well-being on a sub-national scale of regions or settlements. Accordingly, ideas on well-being are dominated by national-level studies and measurements, especially by studies that compare countries. This was the case before the Stiglitz Report and has changed little since. This makes it important to point out that our study is solely conducted on the scale of metropolitan regions and on an intra-urban level⁴⁶.

In our analyses centred on well-being in Hungarian metropolitan regions, we paid a particular attention to the Stiglitz Report's recommendations (*Stiglitz et al.*, 2009, 11–14.), to the characteristically Central-Eastern-European (post-socialist) specifics of

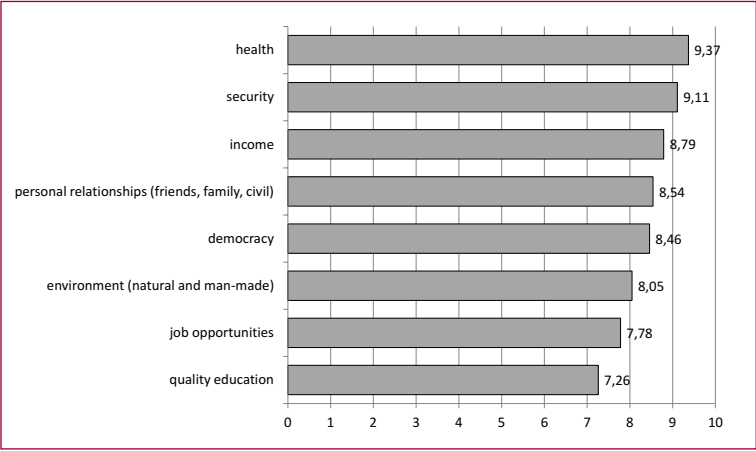
⁴⁵ The publication was co-financed by the EU and the European Social Fund. It was prepared in the framework of TÁMOP-4.2.2.A-11/1/KONV-2012-0069 project titled: 'Social Conflicts – Social Well-Being and Security – Competitiveness and Social Development'.

⁴⁶ See similar international examples of local-scale investigations in the works of e.g. Marks *et al.* (2004), Steuer–Marks (2008), Mguni–Bacon (2010).

Hungarian metropolitan regions, and to the multi-dimensional nature of well-being⁴⁷. Another important part of the study is to try and map the well-being of individuals and households, and to simultaneously consider the objective and subjective factors of well-being (Stiglitz *et al.*, 2009, 16.).

Since the 2009 publication of the Stiglitz Report, relatively little material has been made where it was specifically applied, which did not help our situation⁴⁸. There have been experiments to highlight and examine some of its parts but none of those works test and evaluate the model completely. We attempted to do just that in the case of metropolitan regions.

Figure 21: Subjective importance of well-being factors among respondents (0 = not considered important, 10 = considered very important)



Source: The authors' edition based on data of TÁMOP social survey

⁴⁷ The writers of the report determined the eight dimensions of well-being based on wide-ranging scientific studies and on the basis of initiatives to measure well-being. They recommend to consider these dimensions *simultaneously* in studies (Stiglitz *et al.*, 2009, 5th recommendation, 14–15.).

⁴⁸ The Commission regards its report as opening a discussion rather than closing it. The report hints at issues that ought to be addressed in the context of more comprehensive research efforts. Other bodies, at the national and international level, should discuss the recommendations in this report, identify their limits, and see how best they can contribute to this broad agenda, each from its own perspective.

Stiglitz's dimensions of well-being as applied to Hungarian metropolitan regions

As an important part of the study, participants had to mark the importance of various factors that represent Stiglitzian dimensions in their own lives (Figure 21.). We can interpret these opinions as the well-being preferences of residents of the Hungarian metropolitan regions. They also show the relative “weight” of dimensions compared to each other. From respondents’ answers we can clearly see that they rated health, safety, and income among the most important factors. Opportunities to work and high-quality education were also considered important, although to a lesser degree.

Material living standards (income, consumption and wealth)

According to the Stiglitz Report, when measuring material well-being one must place emphasis not on production but on *income, consumption and wealth* (Stiglitz *et al.*, 2009, 12–13.). The reason behind simultaneously considering these three factors is that income affects the structure and intensity of consumption, while pre-existing wealth is an important basis for sustainable consumption. While individual or household income can change from time to time, wealth is more stable than these and, as such, can provide a more balanced consumption. Moreover, an important improvement is taking the *scale of households* into account which can help eliminate positive and negative changes that affect the individual (like in the case of changes to tax laws).

According to the results of a comparative study done by the World Bank on internal income inequalities among countries (World Bank, 2014), Hungary shows specifics typical of former Eastern Bloc countries⁴⁹, although the results for Hungary are not considered poor on a European or global level since neighbouring countries and even some EU member states have greater income inequality levels. (For instance, in Austria, the incomes of the highest 10% of earners is 6.8 times that of the lowest 10%, while the same value is 5.5 times for Finland and 7.5 for Romania (World

⁴⁹ Income inequalities in Western and Eastern European countries are detailed in this book's introduction.

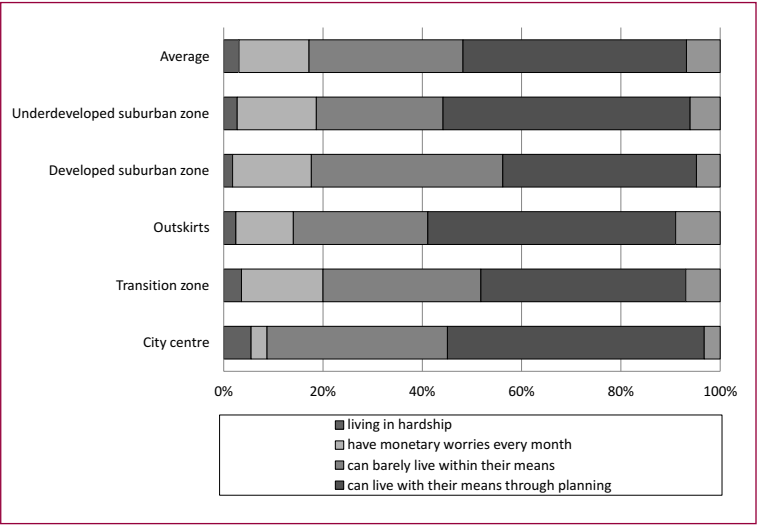
Bank, 2014; Central Intelligence Agency, 2014.) According to GfK's data, the gap between the purchasing power of people living in the richest and poorest regions of Hungary has further widened in 2014. Inhabitants of the richest municipalities in Hungary have 166.4% of the Hungarian average at their disposal, compared to 29% of the average in the most underdeveloped municipalities. Among large cities, Székesfehérvár and Budapest have the highest purchasing power while Nyíregyháza has the lowest (*GfK, 2014*).

Among Hungarian metropolitan region inhabitants, health and safety are rated as the two most important factors, followed by income. Half of the urban region population we studied consider themselves to be middle-income earners, along with a large percentage of inhabitants that judge themselves as having a higher social status. Relatively few people (2–3%) can be found at the bottom and top of the subjective social well-being ladder. This means that the middle-income population's strong marginalisation and descent into lower statuses is less reflected in the opinions of metropolitan region inhabitants. In the 2005 sample more than 60% of the urban population considered themselves middle-income earners, and large groups were present in lower income tiers. However, much fewer respondents placed themselves into the highest or lowest deciles. Consequently, in 2014 the polarisation between the ends of the income ladder is increasing in the societies of metropolitan regions. Also, the middle classes have seen an increase in their wealth, with a significant portion of them being able to move towards higher income tiers.

If we examine the subjective evaluation of income and wealth inequalities from a spatial aspect, we can see that most people living in city centres believe that they belong to the middle and upper-middle income categories while the percentage of people who consider themselves the poorest is negligible. Cities' transition zones show a more varied landscape, with most of the population being unqualified and poor, often living in segregated residential areas. Besides them the presence of middle and higher income groups is also significant. The percentage of respondents classifying themselves as high and highest-income is the highest in suburbs.

The polarisation noticeable in suburban settlements is much higher than in cities because the middle income tier is thinner there while people classified as poor make up a larger percentage. Developed suburban zones have more people who consider them-

Figure 22: Subjective material well-being in Hungarian metropolitan regions



Source: The authors' edition based on data of TÁMOP social survey

selves mid-income earners and a narrower range of people who define themselves as low-income earners.

Regarding material security, the first comprehensive remark we must make is the difficulty in accumulating wealth. Although three quarters of respondents – especially highly educated people – can manage with their current income (at worst through conscious planning), few of them have the privilege of a worry-free material well-being. The percentage of people living in financial hardship and from paycheck to paycheck is almost 20%. Active members of the workforce and students mostly manage well with planning. Many pensioners can barely make ends meet, while the unemployed, inactive group’s situation is especially bad. Residents over the age of 60 are characterised by a high degree of material uncertainty while middle-aged and young adults are less so. People between 35 and 60 are a very varied case, although polarisation is the strongest in this group.

The poorest households are concentrated in the transition zones of cities and in developed suburban zones while their numbers are much lower in city centres. The distribution of the middle-income category is more balanced with this category generally making up half of the suburban zone’s population while those

belonging to higher household income categories are mainly concentrated in underdeveloped suburban zones, city centres and outskirt districts. Income inequality is the highest among households in the transitional zone and suburbs while the relationships between developed and underdeveloped suburban settlements have shifted towards the advantage of the latter since 2005. There, the appearance of wealthy households is increasingly more visible while settlements with a developed economy are seeing a rise in lower-status groups.

Estimating the *wealth* of metropolitan area inhabitants is quite difficult (*Stiglitz et al., 2009, 9.*). Of all the respondents of our survey, 53% own a car, 9.3% have additional real estate, and 6% own land or plot. All in all, real estate savings are not common, since families sucked into a debt spiral during the economic crisis probably sold any secondary property they had first. The respondents' wealth accumulations are not significant either, with 14% having savings in a bank account or fixed-term bank deposit, and 13% in cash – especially those who are middle-aged, active (working), and highly qualified. Currently, 25% of the metropolitan region's population has credit debt. Loans are primarily taken out by middle-aged groups, both active and inactive (unemployed). The factors that explain this not especially significant amount of debt are probably credit requirements that have become increasingly strict since the crisis, and a growing financial wisdom and frugality.

Health

Health is a major influence on human lifespan and quality of life. The WHO defines health as a state of mental, physical and social well-being which is not limited to a lack of infections and weakness, and is not static but a dynamically changing process. The Stiglitz Report places great emphasis on the effect of health on objective and subjective well-being. In fact, out of the eight dimensions, it considers health as one of the most important determining factors. The Report advises the creation of a complex method for health measurement that combines mortality and morbidity⁵⁰, the defin-

⁵⁰ Among indicators of „Sustainable European Development” health status is determined by life expectancy at birth and years spent in health (*Stiglitz et al., 2009, 67.*).

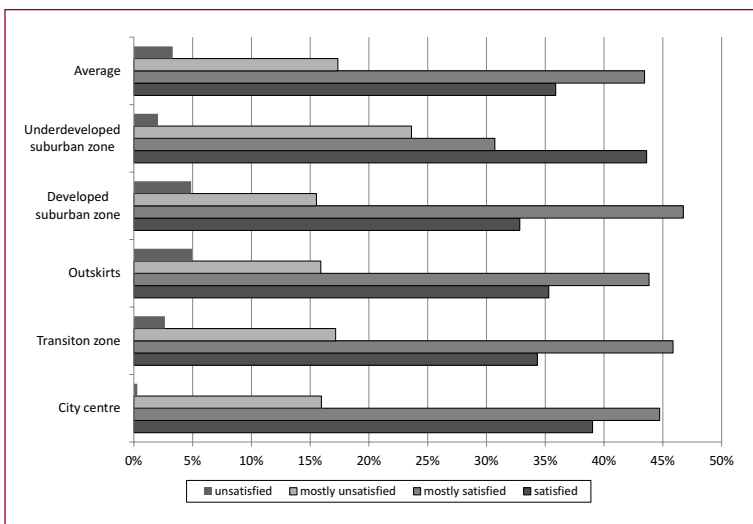
ing reasons for satisfaction with somatic and psychological well-being, and eliminates possible measurement differences in different countries (*Stiglitz et al., 2009, 45.*). The most decisive factor in Hungarians' subjective well-being is their state of health (*Molnár–Kapitány, 2013*). The majority opinion of metropolitan area inhabitants supports this, as their most important criterion for well-being is health (see Figure 21.)

According to health statistics and international analyses, the Hungarian population's state of health is unfavourable in a European context. With a life expectancy of 71.6 years, Hungary falls at the end of the European ranking, among the likes of Slovakia, Romania and Bulgaria. Over the last 10 years the average life expectancy has risen by 3.5 years. However, this change is still relatively lagging behind positive changes in Europe (*Eurostat, 2014a*). Hungary was placed 107th out of 178 countries in the 2006 “*Satisfaction with Life Index*”, 103rd in the 2012 “*Happy Planet Index*”, and 43rd in the 2014 “*Human Development Index*”. According to OECD ranking, Hungary has the 10th highest per capita alcohol consumption. It also ranks 7th in the WHO's suicide index. The percentage of Hungary's population diagnosed with malignant tumors is among the highest in the European Union (*Eurostat, 2014b*). Looking at the number of years spent in health paints a somewhat more favourable picture, with the 2012 statistic being 61.3 years in the case of men and 61.9 years for women, qualifying Hungary as mid-range in this aspect.

Since the 1990s, there have been three salient developments: first, mortality and life expectancy indicators have improved; second, education levels have improved along with labour market position, leading to a more favourable level of healthcare culture; third, the health gap between high- and low-status populations has visibly widened (*Uzzoli, 2013*). During the economic crisis, developments stopped due to decreasing healthcare expenses, cutbacks on disease prevention and health preservation activities, and loss in health insurance incomes, leading to an obvious drop in health (*Makara, 2010*).

Hungary is among the biggest smokers of all OECD members, with a third of men and a quarter of women smoking. In the light of this, it is surprising to see metropolitan societies being satisfied with their state of health. 80% of respondents find it mostly or completely satisfactory: the most satisfied being the young, the

Figure 23: Respondents' satisfaction with their state of health



Source: The authors' edition based on data of TÁMOP social survey

highly-qualified, and those who are active, while pensioners are the most unsatisfied (Figure 23.).

Only a negligible amount of respondents indicated a chronic psychosomatic problem. Acute, sudden health complaints are more characteristic. Most complaints were received from physical workers, unemployed people, and executives.

Results on stress say that people of working age, the active population, and lower-educated people feel especially stressful, while students, pensioners and the highly-qualified consider their lives less stressful. People living in developed urban regions and the transition zone were markedly likely to complain about a stressful life. Their reported reasons for stress are principally structural factors that define a longer stage of life, these being uncertainties and hopelessness related to material and financial matters and to the future in general. There are relatively few people who complain about stress sources at work, study, or in relationships.

Most respondents are more satisfied than dissatisfied with the operation of healthcare and the local social care system. This is remarkable, especially in the light of frequent negative processes associated with the current national healthcare infrastructure and institution system. The highest degree of satisfaction is expressed

by pensioners and students while the most disillusioned are the unemployed. Based on respondents' educational attainment, vocational and technical school graduates tend to be more pessimistic, while grammar school, college and university graduates are mostly optimistic about the healthcare system.

Dissatisfaction is greater in Hungarian metropolitan regions than in Budapest metropolitan region. From a spatial difference aspect, city centre inhabitants see the greatest satisfaction. This is less surprising as in most cases healthcare facilities are situated in city centres, and their accessibility is also most favourable from there. People living in the underdeveloped settlements of urban regions are the most disillusioned as these are mostly settlements that develop in an extensive manner. Here the building and development of local technical and social infrastructure does not keep pace with the population's rapid expansion. The accessibility of the central large city is difficult in these settlements due to gridlocks and a low quality road network. Healthcare support system development does not always follow population growth either. A strong reason for dissatisfaction with one's state of health is the poor accessibility of healthcare establishments (*Molnár–Kapitány, 2013*).

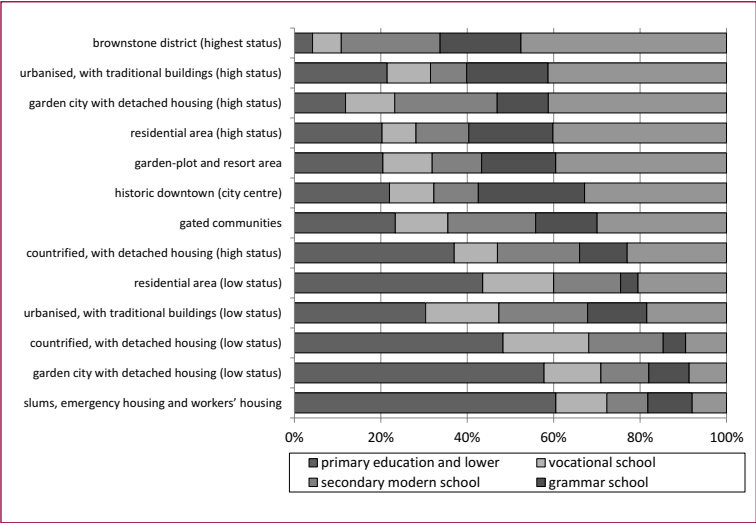
Education

The Stiglitz Committee expresses regret that little research is focused on studying the effect of education on quality of life (*Stiglitz et al., 2009, 46.*). Although the population of metropolitan regions does not rate education as an important part of everyday life (see Figure 20.) we considered its study as an important task because education is strongly correlated with the dimensions of well-being.

First, we examined the spatial nature of respondents' educational attainment. Previously (in 2005) we could see a definite downward slope in the level of educational attainment going geographically from the core towards the periphery (with a decrease in college and university graduates and an increase in people who at most completed elementary education). By 2014, this has somewhat lessened and started to equalize⁵¹. In a previous chapter we already discussed what the population of metropolitan

⁵¹ For further details, see the chapter on the core–periphery model.

Figure 24: Respondents' educational attainment by urban zone (excluding developed and underdeveloped suburban zones, n = 3.678)



Source: The authors' edition based on data of TÁMOP social survey

areas looks like in terms of educational attainment, so here we will try to uncover intraurban patterns in a more detailed way than the previous subdivision of urban regions into the “city centre – transition zone – outskirts – developed suburban zone – underdeveloped suburban zone” pattern.

Distributions shown on Figure 24. completely correspond to pre-conceptions and stereotypes about “good” and “bad” city areas: while zones ranked in the upper third are without exception high-status ones, the lower third is exclusively composed of low-status areas. The two extreme categories are brownstone districts (graduates: 47.6%, primary education and lower: 4.2%) and slums (graduates: 7.9%, primary education and lower: 60.5%). These distributions reveal further processes, such as the great “distance” between high- and low-status residential areas (which was further confirmed by sociological and real estate market research, see for example (Csizmady, 2000) and the differences between city centres and low-status residential areas. Grammar school graduates are a very small minority in the latter compared to vocational school graduates; on the other hand, city centres have a high percentage of grammar school graduates.

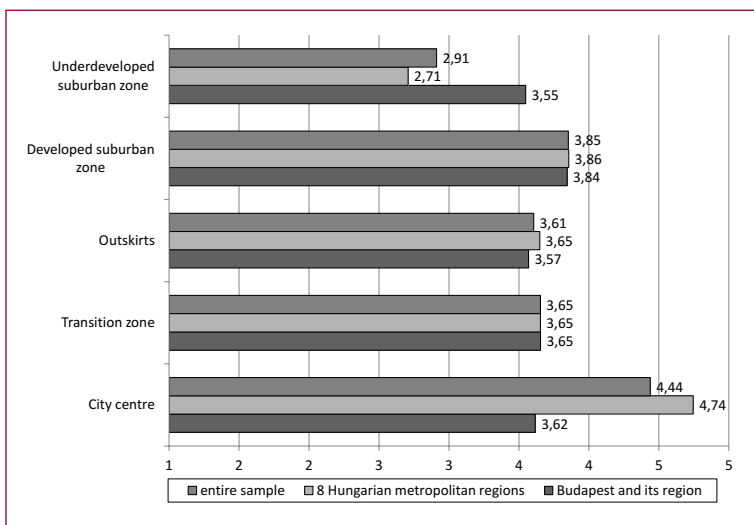
If we look at the educational attainment of metropolitan regions' population by activity categories, we can see that 39.4% of the active inhabitants has a college or university degree, compared to 18.3% for pensioners and only 8.5% for the unemployed. (According to the 2011 census, 19% of people over 25 have a college or university diploma. Compared to this, the entire metropolitan region sample is 25.9%, making metropolitan regions overrepresented in this aspect compared to rural regions.) If we look at the other end, those who at most only completed primary education, the activity rate is 13.9%, while 49.0% of them are pensioners and 58.8% are unemployed.

In addition to its general importance, foreign language knowledge is especially important for citizens of small countries. In a 2012 Eurobarometer study, only 35% of the Hungarian population speaks at least one foreign language, which placed it last among EU member states. Immediately ahead of Hungary are Italy (38%), and the United Kingdom and Portugal (both 39%) (*European Commission, 2012*). The results of the Eurobarometer study were confirmed by the metropolitan region research, which found some 37.7% of people speaking at least one foreign language. Their percentage rises from the core towards the periphery (with 33.6% in the city centre, 38.9% in the transition zone, and 41.4% in outskirt districts), probably due to the age structure of the various zones.

The hierarchy previously described in 2005 is visible in suburban zones: while 36.9% of the population of developed settlements speak at least one foreign language, this ratio is only 29.8% in underdeveloped settlements. In the case of the more detailed breakdown of urban zones, spatial determinations were almost entirely correlated with educational attainment, although with a much larger distribution (20–70%). Brownstone districts see the highest share of people speaking at least one foreign language and slums the lowest, with 69.7% in the former and only 19.2% in the latter. Here, the same three highest and lowest status neighbourhoods are present in the upper and lower third of the entire ranking. Most people who speak foreign languages belong to younger age groups and they are people of high educational attainment.

Looking at satisfaction with education revealed that city centre residents are the ones most satisfied with local education infrastructure while inhabitants of underdeveloped suburban zones are

Figure 25: Satisfaction with local educational institutions by suburban zone
(1 = not satisfied at all, 5 = very satisfied)



Source: The authors' edition based on data of TÁMOP social survey

the least satisfied (Figure 25.). Interestingly, people in developed suburban zones, transitional zones, and suburbs are about equally satisfied. Moreover, there is virtually no noticeable change in this regard in the entire sample's satisfaction averages, or in two other sub-samples (which are the 8 major cities and their urban regions, and Budapest's urban region).

In the case of city centres (placed first) and underdeveloped suburban zones (placed last) the two sub-samples behave differently: city centre residents outside Budapest's urban region are more satisfied than those therein. The opposite holds true for underdeveloped suburban zones where those living in Budapest's urban region report greater satisfaction than those living in other urban regions.

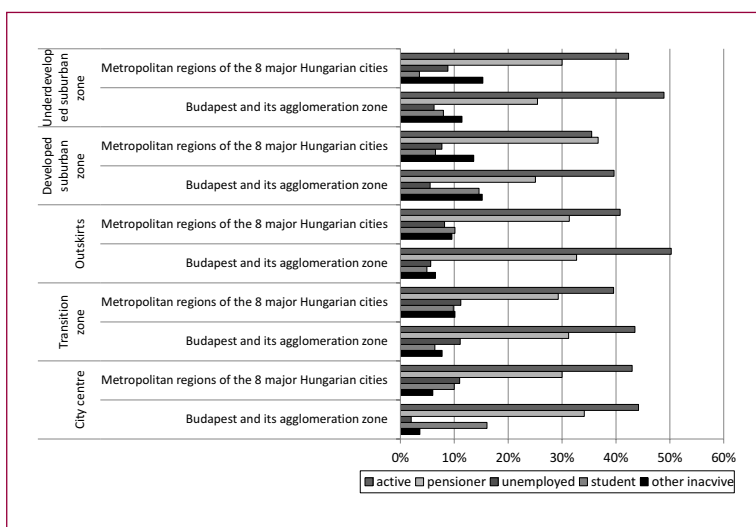
Finally, by only examining opinion data pertaining to central settlements we can see that the divide between eastern and western parts of the country, commonly found in Hungarian spatial research, appears only partially in the rankings of the 9 large cities. Most satisfied with their city's educational institutions are people in Győr (3.92), Szeged (3.86), and Budapest (3.78), while the least satisfied are residents of Székesfehérvár (3.54), Miskolc (3.50), and Nyíregyháza (2.90).

Personal activities including work

According to Stiglitz, work greatly affects the level of subjective well-being (Stiglitz *et al.*, 2009, 49.). Although opportunities to work are an important factor in the well-being of the population of Hungarian metropolitan regions, they cannot compete with the need for health and a feeling of safety. Leisure time (and the quality of how it is spent) is greatly emphasised in the Stiglitz Report. To the contrary, respondents have largely undervalued, with only a third of them stating that leisure time makes up a very important part of their lives. According to our results, leisure time is most important to those who are young, highly-educated, live in the city centre, or are among the highest 10% of earners. Leisure time is also important to those for whom it makes up a significant part of their lives, namely those who are inactive or unemployed.

Due to numerous structural factors, the Hungarian employment rate is one of the lowest in the OECD. These factors include slowed down economic growth, an economic structure that is frequently obsolete, a large share of the black and grey labour market, frequent tax avoidance, and a high rate of inactivity among

Figure 26: The population's activity distribution in metropolitan regions



Source: The authors' edition based on data of TÁMOP social survey

the low-qualified. Of the 28 EU member states, Hungary's 55.6% employment rate in 2011 was only underperformed by Greece and Croatia. (*Eurostat, 2012*). Hungary's employment statistics are mainly characterised by the spatial variability of the inactivity rate and its long-standing, extreme difference among various social groups (*Fazekas, 2005*), further exacerbated by the increasing numbers of so-called "hidden job-seekers" and unemployed people bereft of hope in both rural and urban regions (*Köllő, 2004*).

The metropolitan regions of our surveys are centres of employment. Their activity level is outstanding compared to the national average. Furthermore, activity does not conform to the general core—periphery model. Inside large cities, there is a relative balance (with the highest activity present in suburbs) (Figure 26.). Underdeveloped urban regions have the highest activity rate because these settlements have recently become targets of suburbanisation processes. The population that mostly targets them is generally younger, more highly qualified, and belongs to the middle or high income bracket. They move in from the city centre, and from farther parts of the country. Contrarily, suburban settlements near large cities have a larger inactive population, mainly students who form the base of these settlements' young demographic image. Activity rates in Budapest's urban region are without exception better than in other Hungarian urban regions. While the number of pensioners is not significantly different, the percentage of unemployment is. Unemployment in rural areas is clearly more severe. It shows a different pattern: unlike in the national average, most people there who are unemployed live in city centres.

Inactivity is high both nationally and in urban regions. The most populous group among the unemployed are pensioners. Pensioners make up almost a third of the total population. They are predominantly concentrated in big cities, namely their centres, while their numbers are lower in the suburban belt which has a more favourable demographical structure. People on retirement and disability pension make up 34% of urban region population, whereas in 2005 this percentage was 38.5%. The reasons behind this is most likely government legislation steadily pushing the retirement age higher and tightening pension eligibility regulations. The large percentage of students in city centres is explained by the exceptional function that big cities have in education, and by city centre regeneration projects that have been

intensified over time. These strengthen gentrification, offering an attractive place for young adults in their 20s and 30s (mostly childless) to settle down. In our case, their presence is observable in developed urban regions, which is due to the exodus of middle- and high-status families towards suburban zones.

Opinions on job prospects suggest worsening: almost two thirds of metropolitan region residents rate their prospects as declining, while 30% indicate stagnation (and therefore a lack of improvement), and only 6.5% indicate improvement. Decline is prevalent in opinions from the Budapest metropolitan region's data while opinions from other metropolitan regions mostly indicate no change.

Spatially speaking the biggest duality is present in the socially very varied transition zones, as both satisfaction and a critical level of dissatisfaction are the highest there. It seems that the dichotomy between developed and underdeveloped suburban zones is also reversing in this aspect, since inhabitants of settlements with an underdeveloped economy are the least disillusioned regarding their job prospects while negative outlooks are more likely in developed settlements. The investigation of population by age groups led to an interesting result: despite many statistics written about many freshly graduated inactive and unemployed people all over Europe (*Observatory Centre for Educational Development, 2012*), in our study almost a quarter of people aged between 18 and 29 see an improvement in their employment prospects while the majority perceives them as unchanged. People between 40 and 50 seem to be the most disillusioned.

People with improving prospects cited newly acquired qualifications, growing professional experience, an improving transportation situation and a change in family status as the chief reasons. Those with declining prospects attribute it to the inadequate number and quality of jobs, unfavourable economic conditions, age, and the radical change in political climate.

The 1990s was a period of transformation defined by structural unemployment, after which the labour market's situation started steadily improving (to the point where, in 2001, the national unemployment level fell to 5.7%). This stopped at the beginning of the economic crisis which led to severe conjunctural unemployment. The first half of 2010 saw an 11.2% unemployment rate (*ksh.hu*). This was close to the absolute highest value (12%)

seen since the regime change which was caused by a rapid breakdown and rearrangement of the labour market (CSO, 2010, 11.). Since 2010, statistics show a (more) rapidly adapting labour market and a steadily improving unemployment rate. Hungary's current 8.1% rate is on par with unemployment in Sweden, Finland and the Netherlands.

Assessing the fear of unemployment on the Likert-scale showed that, contrary to preconceptions, 40% of the population we surveyed is not afraid at all of becoming unemployed, and only 10% are concerned about it. This positive outlook is probably rooted in the employment situation of large cities and their regions (which is above average in a national context), in the copious availability of jobs to people with certain qualifications, and in the clearly improving labour market in Hungary as well as in Europe. Some spatial variance is shown by the fact that the city centre population fears unemployment the least, while people in developed suburban regions are the most concerned about it. The main reasons for insecurity cited by 80% of respondents were termination of employment, obsolete, non-marketable skills, and troublesome family circumstances.

In accordance with urban regions' general socio-economic structure differences the number of job seekers steadily increases as progressing from the city centre towards suburban settlements. Although developed and underdeveloped suburban zones had clearly different qualities back in 2005, the positive rating of developed settlements and the negative rating of underdeveloped ones is reversing: right now there are much fewer job seekers in underdeveloped settlements, whereas 10 years ago their numbers were higher in every age bracket. This decrease is partly caused by an increased inactivity rate and is also due to the fact that young people are spending an increasingly longer time in (higher) education.

Political voice and governance

Political voice and social participation mean the ability to participate as citizens, being part of policy-making, the free expression of ideas, and the freedom of speech. It is also a substantial part of one's quality of life. These tools help in improving common policy, ensuring transparency in state and municipal institutions,

contributing to articulating the most important human needs and value judgements, and focusing attention on the most deprived groups. They might simultaneously reduce the possibility of conflicts and possibly strengthen the consensus-building skills of individuals. Further factors affecting participation include good governance and a suitable legal environment, which together can contribute to forming a favourable climate for investors, an efficiently functioning market, economic growth, job creation, and the creation of material wealth (*Stiglitz et al., 2009, 50.*).

Concerning the Stiglitzian dimension of political voice and governance in the Hungarian metropolitan regions, it is important to highlight that the levels of the respondents' *knowledge* of various forms of social participation and governance, and their *actual participation* in these forms are very different. The most widely known and practiced forms are the election of mayors and local representatives, referendum, and residential forums. In the light of the Hungarian society's political (in)activity (*Szabó, 2011*), however, it is not surprising that the share of people actually participating in any forms is significantly lower than the share of those who know about these, in the case of all categories. Moreover, it is also alarming that only a very small proportion (less than 6%) of people take part in almost half of the categories.

Using factor analysis, we can create a tripartite typology of the forms usually practiced together: (1) "typical activity" (referendum, election of mayors and local representatives, local social surveys), (2) "oppositional behaviour" (collection of petitions and signatures, organisation and/or participation in protests and previously not announced demonstrations), (3) "expert interest" (general auditions, participation in local governmental committees, visiting conferences and other programmes, consultations). "Typical activity" is most characteristic to people living in underdeveloped suburban zones, aged 40–49, and being trained in vocational school, "opposition behaviour" is typical among those living in developed suburban zones with lower income levels, whereas "expert interest" is most typical among residents of underdeveloped suburban zones, aged 50–59, with university or college degree.

Besides forms of participation and people's activity, the most important source(s) of receiving information have also been studied, since these are the channels through which one might get

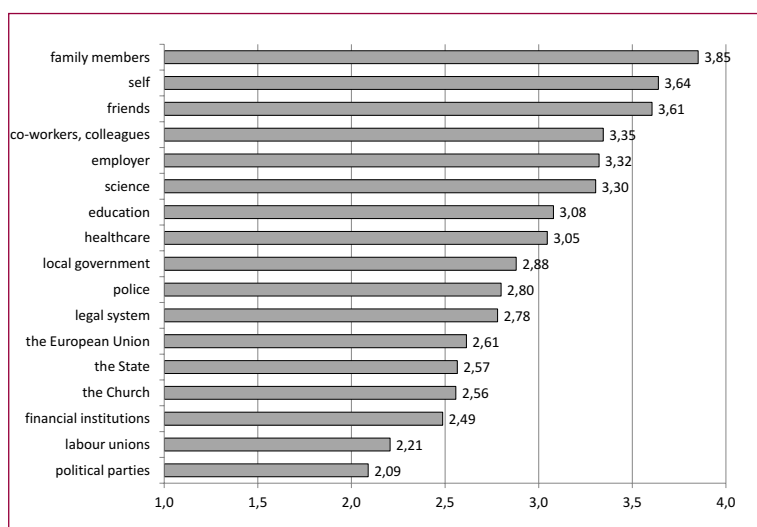
engaged in political participation and governance. The majority of respondents (66.9%) is getting informed from local media (press, TV, radio), and via their personal connections (58,7%), while the share of online forums (9,3%) and blogs (8,4%) as information sources is the lowest. Here, interconnected groups of sources could also be recognised: (1) “traditional tools” (flyers, brochures, municipal bulletin boards), (2) “networked communication” (blogs, online forums, websites), (3) “local comprehensive tools” (local media, personal connections). People most likely reached via “traditional tools” are those living in underdeveloped suburban zones, aged above 60 (pensioners), with basic educational qualification and income level below the average. In contrast, getting informed via “networked communication” is typical among residents of the central cities (especially the outskirts), aged 18–29, with higher qualifications and income levels, whereas “local comprehensive tools” typically serve as information sources of people living in central cities, aged 40–49 (actives), having university or college degrees, as well as the highest levels of income.

Social connections and relationships

Social connections can affect individuals’ quality of life in a variety of ways. These include, for example, feeling more secure in one’s residential area, feeling more appreciated, or a better chance to find a better (more suitable) place of work. Besides these positive yields social capital can also cause negative externalities, e.g. a higher degree of criminality if one belongs to certain groups. When measuring the social connections dimension, the Stiglitz Committee suggests focusing on trust bestowed on the various actors, and on the causes and consequences of the marginalisation of socially isolated groups (*Stiglitz et al., 2009, 52.*).

In line with the Report’s guidelines, we first studied this issue through a general question: “*How much do you trust the following?*” (Figure 27.) This question allowed for very specific answers but also for abstract ones. Respondents mostly trust their family, themselves, and their friends. After relatives come co-workers and employers (surprisingly both are trusted about equally), then the more abstract categories like science, education, healthcare, etc. Trust below the median of 2.5 is only observable for three pos-

Figure 27: Trust levels in Hungarian metropolitan area societies
(1 = weakly trusted, 4 = strongly trusted)



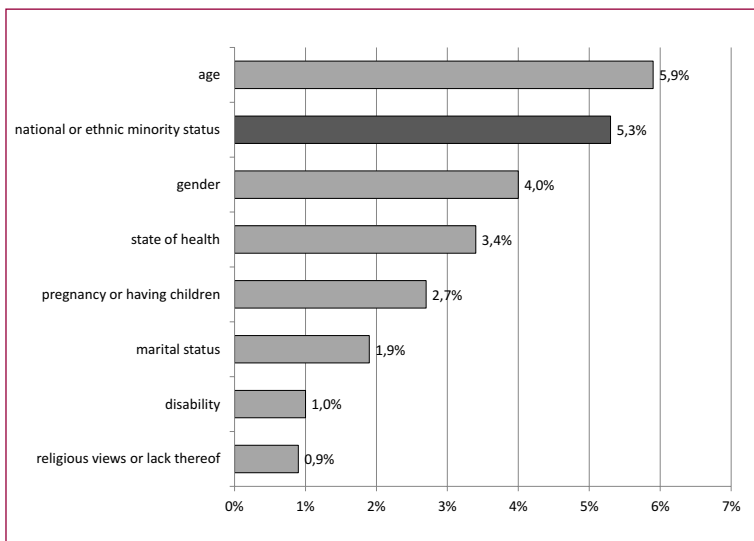
Source: The authors' edition based on data of TÁMOP social survey

sible answers: financial institutions (probably due to the credit crunch), labour unions (due to the constantly weakening employee advocacy in Hungary), and political parties (2.09, which is the lowest value of all). In the light of the increasingly large degree of Euro scepticism in Hungary (Martin, 2013) it is notable to see that the metropolitan regions we studied show more trust towards the EU than towards the state or church. A breakdown by zones shows that city centre residents are the most trusting (3.45), followed by the averages for the underdeveloped suburban zone (3.05), the transition zone (2.92). Finally, the trust level of developed suburban zones is the lowest (2.77), which is surprising.

Besides trust and cohesion, social and personal connections can be defined by the lack of these two (*in Hungary's case, see the comprehensive study by Tóth, 2009*). According to another study done under the same TÁMOP project, with a 2000-person sample that is representative on national level⁵² conflicts that gain the most visibility in Hungary tend to arise (1) between the rich and the poor, (2) between Hungarians and people of other ethnicities,

⁵² According to research by the Széchenyi István University in Győr, Hungary

Figure 28: “Have you ever been discriminated due to any of the following reasons?”



Source: The authors' edition based on data of TÁMOP social survey

and (3) between urban and rural populations⁵³. Social fault-lines such as these were the reason for us to include the question “*Have you ever been discriminated against due to any of the following reasons?*” in our metropolitan region study (Figure 28.). Results show that few respondents in metropolitan regions were discriminated against, at least according to their own admission. Those who were mostly received negative discrimination due to their age or ethnic minority status.

Out of these possible answers we chose to further investigate the group that placed second (those who were discriminated against due to their national or ethnic minority status) based on their place of residence. Based on the entire sample, 55% live in core settlements (metropolises) while 45% reside in suburban zones. Through a detailed breakdown of urban areas (that is, by only examining centres) we can see that almost a quarter of these people live in

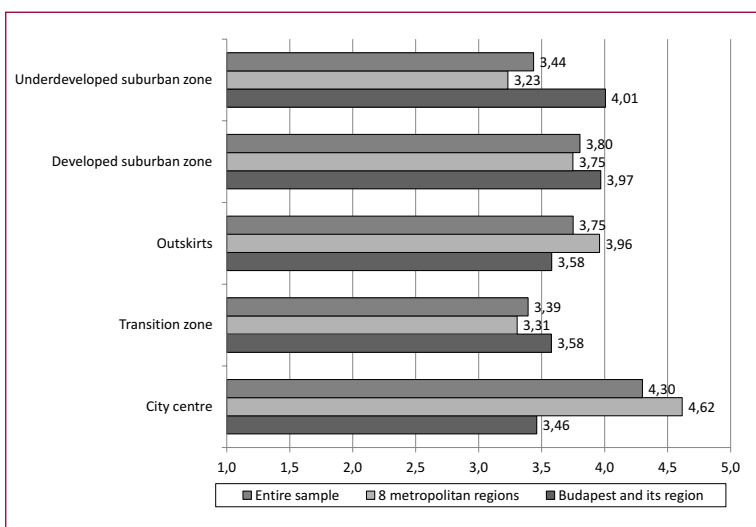
⁵³ Based on Péter Tóth's (Széchenyi István University, Department of Regional Science and Public Policy) conference talk titled „*The Hungarian public's differing perceptions of conflicts between specific Hungarian social groups*” (A magyar társadalom kiemelt csoportjai között húzódó ellentétek eltérő percepciója a magyar lakosság körében) („*A tudomány és a gyakorlat találkozása*” Conference, Győr, 17th June 2014).

slums or emergency housing, while one sixth live in low-status residential areas and low-status garden city detached-house zones. On the other (“positive”) end of the hierarchy we can, without exception, only find high-status residential areas. As such, these results draw attention the extremely strong geographical determinism of this still urgent social problem in Hungary (*Bernát et al., 2012*).

Environment

The state of the environment is not only a high priority in sustainability (which is the central element of the Stiglitz Report) but it is also a highly important factor that affects people’s quality of life. It affects human health directly – for example, through air and water pollution, soil contamination, and noise, and indirectly, through climate change, decreasing biodiversity and increasingly common natural disasters, among others. Taking this into account, the Report’s writers also point out that the effects of the (natural and social) environment on social well-being are hard to measure. In the case of public surveys this dimension is probably the hardest to capture using objective indicators. According to the Report, studies should rather measure people’s satisfaction with the state of the

Figure 29: Satisfaction with the state of one’s natural and scenic environment, by zones (1 = completely unsatisfied, 5 = very satisfied)



Source: The authors' edition based on data of TÁMOP social survey

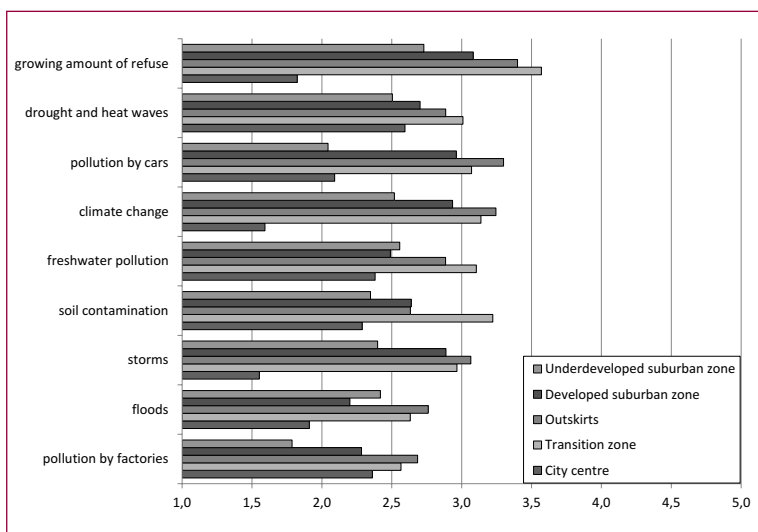
environment, and their personal feelings related to this because any change to the environment tends to affect each social group in different ways and to a different degree (*Stiglitz et al., 2009, 52.*).

Looking at satisfaction with the natural and scenic environment by zones, by examining the entire sample and in the two sub-samples (Budapest's region and 'rural' regions) separately, we can see (Figure 29.) that the transition zone's population is the least satisfied, since generally this zone is where polluting industrial facilities are located. (This holds true for the entire sample, for Budapest and its suburban zone, and for all other 8 metropolitan regions to closely the same extent.) However, it is surprising to see the city centre as ranked first in satisfaction. This rating is due to the outstanding values measured in the non-capital city centres. Since Budapest can 'boast' very few green areas, the sample there acted differently: its regional sample had underdeveloped and developed suburban zones ranked at the top (since these were the first areas where suburbanisation developed in Hungary, and they are still the most important and largest ones), while people were the least satisfied with the environmental status of the city centre. When looking at the entire sample we can see an 'expected' pattern, with the ranking: developed suburban zones, outskirt districts (which are also made liveable by their numerous green areas), underdeveloped suburban zones, and finally, the transition zone. (We can also observe that residents living in the metropolitan regions of 8 major Hungarian cities are a little more satisfied than those living in Budapest or its immediate vicinity.)

If we examine the satisfaction with the state of a settlement's natural and scenic environment in the context of other, independent variables, we can see that results do not differ significantly among age groups, levels of educational attainment, activity categories and job tiers. (We can observe lesser correlations here as well. For instance, satisfaction does increase with educational attainment, although to a small degree, while it slightly decreases with age.)

In the satisfaction data of the 9 major cities we studied there is a somewhat visible divide between east and west, the same that is found in many Hungarian spatial studies: the first half of the list is dominated by the cities of Transdanubia, while the second half has mostly cities from the Great Hungarian Plain and northern Hungary. The most satisfied with the state of the natural environment are citizens of Pécs, Győr and Szeged, while the most dissat-

Figure 30: Breakdown of respondents' opinion on the severity of their settlement's environmental problems by zone (1 = not severe, 5 = severe)



Source: The authors' edition based on data of TÁMOP social survey

ified are people in Debrecen and Miskolc, with Nyíregyháza finishing last. (All major cities are above the median, meaning that their population is mostly satisfied.)

According to respondents, the most severe problems are the increasing amounts of refuse, droughts and heat waves, and increasing pollution due to the growing number of cars. (Figure 30.) The environmental problems they identified as the least severe were (surprisingly) the pollution caused by factories, floods, and storms. In a breakdown by metropolitan area zones, with all problem types considered, the transition zone is the most problematic" (3.03), followed by outskirt districts (2.98), developed suburban zone (2.69), underdeveloped suburban zone (2.37), and finally, the city centre (2.07). (Like with the question on general satisfaction, there were no significant differences in terms of age group, educational, activity and job rank.)

Insecurity

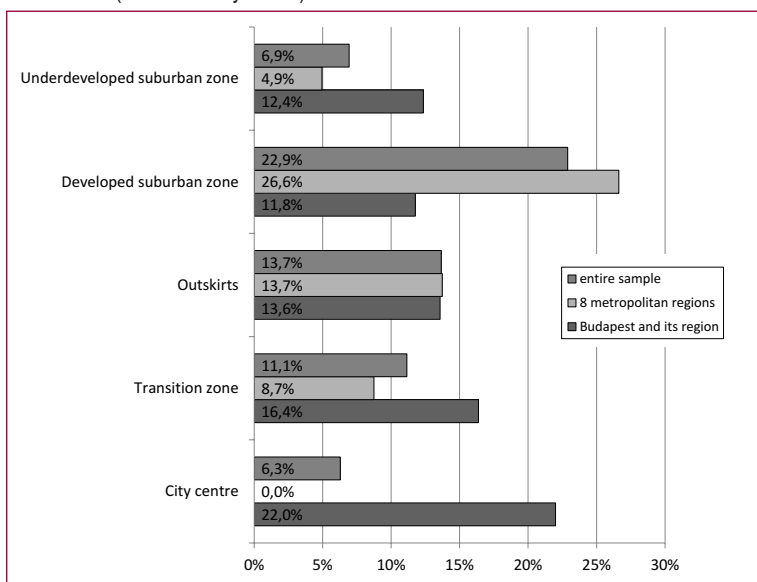
The well-being dimension of insecurity is inseparable from criminal issues, the latter already having extensive literature (*see the comprehensive work by Deflem ed., 2006, and another in Hungarian by Ivanics,*

2013). We first asked respondents whether they or anyone in their household has ever been the victim of burglary or assault. In terms of one's educational attainment there are no significant differences between the groups where people at most completed primary education or graduated from a vocational or secondary modern school. In the case of people who completed grammar school or have a college or university degree the sample is differentiated on a spatial basis: Budapest's agglomeration is affected by a much higher criminality rate in both cases than other metropolitan regions. Regarding activity categories, 'vulnerable' social groups are typically the unemployed and other inactive groups, and pensioners, while students are less affected. (Although in the case of Budapest's metropolitan region they are affected much more than in the regions of the other major cities.)

It is the developed suburban zones that are affected the most by criminality; they are followed by outskirt districts and transitions zones, with city centres and underdeveloped suburban zones being the "safest" (Figure 31.) It is also remarkable that the partial samples of the 8 metropolitan regions and the Budapest agglomeration act completely opposite: while the safest zone in Budapest's agglomeration is believed to be the developed suburban zone, it has the largest insecurity rating in other metropolitan regions. Similarly, the city centre is the least safe in Budapest, yet as an extreme counter-example, no single respondent in the other 8 major cities considered it unsafe. From the above we can see that Budapest's agglomeration is more affected by criminality than the regions of other major Hungarian cities. We can also see that, in this regard, the factor of spatiality is more important in differentiation than social structure characteristics.

Asking respondents what precautions they take against burglary was an important question (*"Do you have a security alarm system in your household?"*). The results paint a picture that is in line with preconceptions as the leaders are urban zones that are home to the highest-status populations. Brownstone districts are in the first place (with [admittedly] 40% of residents having security alarms in their household), followed by housing complexes, high-status garden city zones with detached housing, resort areas, and high-status, urbanised, traditionally-built residential areas (more than 20% in all cases). The other end of the list also goes as expected, with only 2.8% of households in slums having an alarm system. Low-status

Figure 31: "Have you or any member of your household ever been a victim of burglary or assault?" (breakdown by zones)

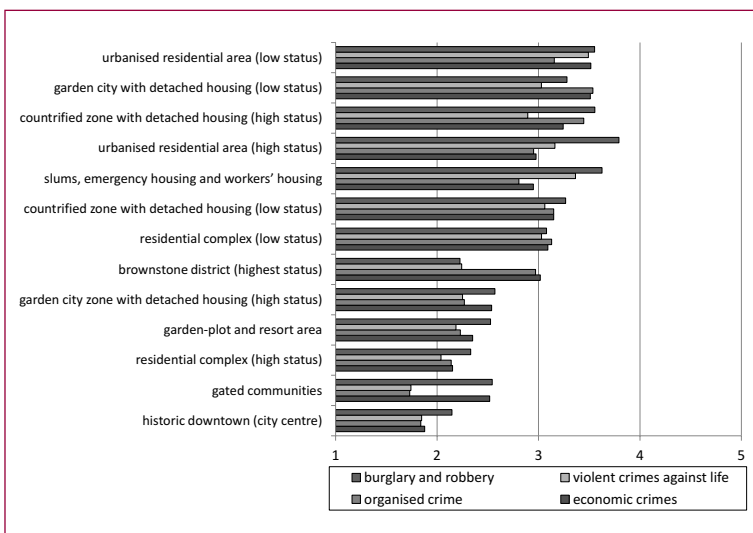


Source: The authors' edition based on data of TÁMOP social survey

residential complexes, low-status countrified areas with detached housing, and low-status garden city zones with detached housing all have levels below 10%. Only the historic city centre's value is lower than expected. This is probably due to the fact that city centres are better monitored in general (through outdoor surveillance systems and a higher police presence, etc.).

A core element of the Stiglitz Report's insecurity dimension is people's sense of fear. The amount of people whose lives and well-being are influenced by fear is many times more than those that are actually affected. (*Stiglitz et al., 2009, 53.*) This means that societies with a higher sense of fear do not really have the highest crime rates and that out of all social groups those who fear the most are the elderly and the rich. These patterns show that there is a need to measure the sense of personal security and insecurity (and uncover its spatiality). We therefore considered it important to know subjective opinions in addition to facts about security. To this end we studied answers given to the following question: "How safe do you feel it is to walk alone at night where you live?" (1 = not safe at all, 4 = very safe). We broke down the results by city zone. Results show a spatial configuration that are similar to factual criminality data in some zones

Figure 32: “How severe do you think the following problems are where you live?”
(1 = not severe, 5 = very severe)



Source: The authors' edition based on data of TÁMOP social survey

and differ in others. Subjective opinions hold slums as the least safe (2.21), and the other three zones with values below the median are also low-status zones. On the other end, the zones considered the safest are (surprisingly) high-status residential complexes (3.14).

Finally, we must emphasise that ‘crime’ is not a monolithic category (although often thought of and treated as such). Different forms of crime have different characteristics and different spatial patterns (Figure 32.). To study this, we asked the question “How severe do you think are the following problems where you live?”. Answers to this question show that the various types of crime occur at different intensities in different zones (and thus in the perceptions of the residents of those zones). Brownstone districts consider organised crime and economic crimes to be the most serious ones, well above burglary, robbery and violent crimes against life in terms of severity. (Somewhat similarly, people living in housing complexes also see economic crimes as the biggest problem along burglary and robbery, although to a much lesser degree than do other urban zones.)

Looking at the well-being dimension of municipal and personal security (and/or insecurity) we can summarily state that Hungarian major cities cannot be thought of as spatially homogeneous in

terms of urban security or the population's perception of security. Factual data show a more or less predictable spatial hierarchy with higher-status zones less and lower-status zones more affected by criminality. Nevertheless, questions that query personal perceptions (and are therefore 'softer') show that urban security and insecurity often have spatial patterns that diverge from this.

Summary

In our study we examined the characteristics of social well-being dimensions identified in the Stiglitz Report in the urban regions of Hungarian major cities. We indirectly tested the relevance and applicability of the model in Hungary.

As a result of an in-depth analysis of the eight Stiglitzian dimensions we can deduce that the most significant change in the social structure determinations of metropolitan regions since 2005 has been the clear improvement in the population's education and qualification levels, an improvement in their financial situation (and thus also a reduction in the polarisation of income and wealth), and the strengthening of the middle and upper classes. Obviously, the processes behind this, among others, are the transformation of metropolitan region societies, gentrification, and social marginalisation⁵⁴.

The population's activity is remarkable in a national comparison but lacking compared to Europe. The percentage of the inactive and unemployed is also considerable and has spectacularly risen due to the economic crisis.

It is striking to see that the social downward slope (related to the core—periphery model that also explains the social well-being levels of metropolitan regions) has clearly changed because the most highly developed zones of the metropolitan regions of our survey are their city centres, with outskirt districts 'competing' for their first place. Since 2005, rapid social development has taken place in these zones. Their residents have seen a large increase in their material wealth, quality of education, and activity. The presence of high and middle-status people is the highest here (along with city centres) but

⁵⁴ See the details of this in the core—periphery chapter .

the population's state of health, educational attainment and activity lag behind the more favourable statistics of city centres.

The main characteristic of transition zones is their increasing mosaicism. It is here that we can find low-status segregated residential areas and slums where the urban poor are concentrated right next to the most highly developed zones of urban regions. This place is home to the most severe environmental problems, to worrying levels of criminality, and to a population with a low financial well-being. This territorial fragmentation is much stronger in Budapest than in other major cities.

While in 2005 the infrastructural and economic development of suburban settlements accurately reflected the general level of social development, this is no longer valid in 2014. Over the last 10 years there has been a significant restructuring. As a result, developed and underdeveloped suburban zones have seen an equalisation in social well-being. In many cases both the objective and subjective social well-being of the population of underdeveloped settlements changed favourably with regard to activity, the quality and frequency of personal relationships, satisfaction with the state of the environment, subjective health, decreasing unemployment, increasing material well-being, and even in the case of criminality.

Well-being Deficits in Disadvantaged Regions⁵⁵

Katalin Kovács – Judit Timár – Monika Mária Váradi

Introduction

This chapter presents a new ‘terrain’ of research in Hungarian well-being studies, namely the cases of disadvantaged micro-regions representing the contrast point of metropolitan regions. As exploring socio-spatial differences has a prominent role in this book, we need to study economically underdeveloped rural areas in Hungary, and the processes of marginalization in addition to more developed urban regions. Our previous studies on rural poverty (Virág, 2010; Kovács–Váradi, 2013; Nagy *et al.*, 2014), as well as the results of international well-being research provide a suitable starting point for this research (McGillivray–Clarke, 2006).

We assume that the study of Stiglitzian dimensions in disadvantaged regions will uncover deficits in well-being (to various degrees) rather than its indicators⁵⁶. Studying how well-being is lacking is socially significant since the exposure of well-being deficits and developing ways to manage it are serious challenges for development policy. Intending to spur successful policy responses, in this study we endeavoured to find correlations that bring us closer to

⁵⁵ The publication was co-financed by the EU and the European Social Fund. It was prepared in the framework of TÁMOP-4.2.2.A-11/1/KONV-2012-0069 project titled: ‘Social Conflicts – Social Well-Being and Security – Competitiveness and Social Development’.

⁵⁶ This approach is related to e.g. *Betti et al.*’s (2011) approach which views the levels of well-being as a continuum stretching from scarce to high. Here, the indicators of poverty and deprivation can be viewed as indicators of well-being deficits.

understanding the mechanisms that determine the production and reproduction of well-being deficits. Our approach will further strengthen the socio-spatial focus of the research.

In terms of methodology, this analysis emphasises the significance of the critical conceptions of geographical scale, and the role of locality as a geographical category. Assessing deficits of well-being was built on several methodologies; in part, on the complex study of four peripheral disadvantaged micro-regions through document analysis, statistical analysis and in-depth interviews. During this, case studies were prepared in the micro-regions of Fehérgyarmat, Sarkad, Sárbogárd and Sásd. 30 in-depth interviews with prominent local persons were conducted in each micro-region (for a total of 120 interviews)^{57 58}. Case study results were complemented by a questionnaire survey that made comparison with metropolitan suburban settlements possible⁵⁹.

The following chapter presents four factors especially important from the aspect of regional underdevelopment, namely (1) some dimensions of objective well-being and the access of spatial units to resources, (2) the inequalities of happiness and satisfaction on district level⁶⁰, (3) the social and economic processes that create and sustain well-being deficits, and (4) state policies and municipal practices that reproduce well-being deficits instead of eliminating them.

⁵⁷ When choosing the four disadvantaged rural micro-regions for research, an important criterion was that these micro-regions should have different characteristics in addition to similarities. Using our previous research experience, we chose two micro-regions near the eastern border (the Sarkad and Fehérgyarmat micro-regions), which, according to the current statute, are ranked as 6th and 9th among disadvantaged micro-regions. They were considered to represent outer peripheries. The other two regions represent the internal rural peripheries, both being located in Transdanubia: they are the Sásd and Sárbogárd micro-regions, ranked as 16th and 49th, respectively (out of 171).

⁵⁸ The case studies were written by Nóra Baranyai, Júlia Schuchmann, Monika Váradi, Judit Timár, Erika Nagy, Gábor Velkey, and Gábor Nagy.

⁵⁹ The survey for measuring well-being deficit was conducted by TÁRKI Inc. 400 questionnaire-based surveys were conducted in all 4 micro-regions, with 100 done in micro-regional centres, and 300 in the micro-region's developed and underdeveloped settlements (proportionally.)

⁶⁰ The data sources used were a database compiling comparable data on metropolitan suburban regions and peripheral micro-regions, and a database that compiles survey data from the four peripheral micro-regions.

Well-being deficit characteristics

We present the differences in the social and financial status of the populations of four disadvantaged rural micro-regions through three indicators: educational attainment, labour market position, and – material well-being. (All three are suitable for measuring important resource surpluses or deficits of the studied spatial categories)⁶¹.

Figure 33. shows the composition of respondents living in the studied villages and towns by educational attainment. In addition to the fact that the population's educational attainment closely follows the municipal downward slope, we should pay attention to percentages. In terms of percentages, 9% of people living in disadvantaged rural peripheral micro-regions failed to even complete their primary education. This is about four times the amount measured in metropolitan suburban areas. The prevalence of being unschooled is especially high in underdeveloped villages located in disadvantaged micro-regions (at 16%)⁶², it is more than three times the value measured in underdeveloped settlements located in the vicinity of major cities, and more than 1.5 times the value for developed villages in the same peripheral micro-regions.

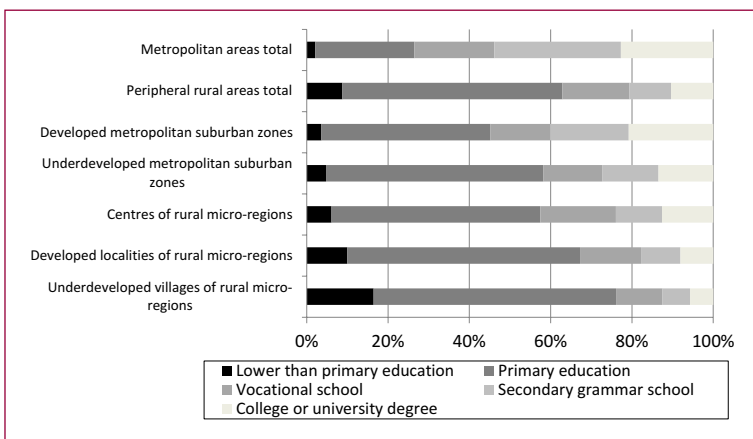
We should add that this is mainly due to the great proportion of uneducated old-aged inhabitants: in metropolitan suburban zones among those failing to complete even the primary level of education, the proportion of people aged less than 50 was only 4%. The same index was 9.3% in the lagging villages of disadvantaged micro-regions, which is significantly higher, but here the representation of the elderly generation among the least-educated population was also over 90%.

We have not seen such a big difference in the proportion of university graduates living in the different metropolitan areas: one quarter of metropolitan city centre residents and 13% of residents of peripheral micro-regional centres has tertiary education. The presence of highly qualified residents in the underdeveloped

⁶¹ We did not consider the income indicators reliable enough so we will present the latter through the survey subjects' own opinions ("How adequate or inadequate is your payment?"), and through two variables suitable for the comparative analysis of monetary deprivation.

⁶² Most of these villages are lagging behind and are often (but not always) small towns undergoing ghettoization.

Figure 33 : The composition of population by educational attainment in the investigated spatial categories (% , 2014)



Source: The authors' edition based on data of TÁMOP social survey

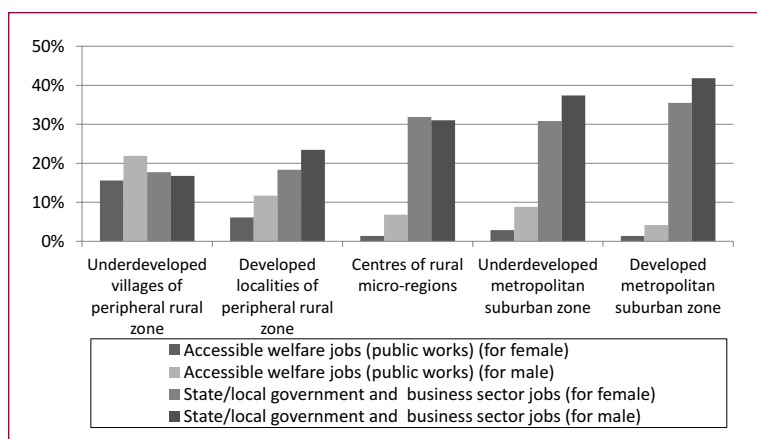
localities of metropolitan suburban areas shows only a smaller scale majority, as it is 'only' twofold ratio (13%) as compared to the lagging settlements of peripheral rural micro-regions (6%) but if the presence of people with higher education is considered as human (intellectual) resource, we may clearly speak of a deficit in the latter spatial category.

Today public discourses intensively deal with the role of public employment in the life of people permanently excluded from labour market and from the benefits of regular income. While the majority of social scientists strongly criticise certain aspects of public employment, the opinion of the mayors questioned about it was rather positive than negative. We understand this attitude in regions where large masses of the working-age members of families must face years of joblessness.

Public works offer an extremely low-wage employment opportunity mainly for men: in the backward villages of rural micro-regions, 15.6% of women, and 21.9% of men were employed in public employment schemes in February 2014, while in backward villages only 17.7% of women and 16.8% of men could be employed in the business and the public/local governmental sector.

In developed settlements of the studied rural regions some more and in small urban centres much more jobs are available for both sexes, and the same gradualism starting from higher level

Figure 34: Access to various forms of employment in the surveyed spatial categories (% , 2014)



Source: The authors' edition based on data of TÁMOP social survey

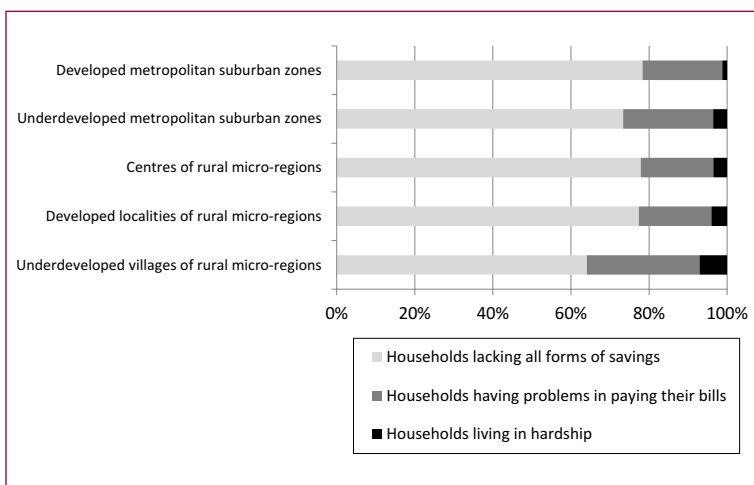
characterizes the employment chances of people living in metropolitan areas.

The extent of the deficit in job opportunities provided by the state/local governmental and business sectors and its inverse relationship with public employment can clearly be demonstrated, which of course, is correlating with the centralization of institutions valid until the recent past and with the incompleteness or absence of economic regeneration processes following the political changes of the 1990s.

Finally, material well-being or its absence, as an outstanding aspect of objective well-being, will be presented. The indicators of material well-being or the absence thereof are as follows: 1) households that do not have savings, 2) households that have serious difficulties paying the bills and 3) households that cannot make ends meet on their available income, or where people live in hardship. In the light of educational attainment and labour market characteristics it is not surprising that examining the spatial representation of materially deprived households we meet almost the same slope formula which is tightly determined by settlement type and development degree (see Figure 35.).

All the three indicators take up their highest value in underdeveloped villages of rural micro-regions, where 1) 92% of the respondents' households do not have savings (this is by 20% high-

Figure 35: The representation of households deprived in material terms in the surveyed spatial categories (% , 2014)



Source: The authors' edition based on data of TÁMOP social survey

er than in the case of localities classified as undeveloped around big cities); 2) 42% had a problem in paying the bills, or has not paid the overheads (the ratio of the size of the affected households with payment difficulties is just half in underdeveloped metropolitan areas); and 3) 10.3% of the respondents live in deprivation (as compared to 3.4% of the respondents representing underdeveloped metropolitan suburban areas).

Regarding the ratio of population lacking savings, there is a big gap between those living in rural micro-regions and residents of metropolitan suburban areas but the difference between the various metropolitan area categories is also significant. However, for the other two indicators (ability of covering monthly bills and making ends meet) there is a sharp dividing line between dwellers of the developed localities and lagging villages of peripheral rural micro-regions for the detriment of the latter against which the differences between additional spatial categories may be regarded as minimal. In the lagging villages of peripheral rural micro-regions thus the severe deprivation in terms of financial abilities of households is not simply evident resulting in deeper and more overall poverty than in the more developed localities of the same micro-regions; the gap has widened recently to a dramatic extent.

The difference is significantly smaller between spatial categories for the two indicators of subjective well-being, as shown in the following table. According to the table, just like in other researches (Lengyel–Janky, 2003), happiness in this study also had higher scores than satisfaction in all spatial categories; in case of satisfaction a settlement slope is seen again, i.e. the large cities and their developed and undeveloped suburban areas have happier people than settlements of the respective peripheral type. Of all categories respondents of the backward villages of peripheral rural micro-regions have the biggest ‘satisfaction deficit’ in comparison with those interrogated in other spatial categories; the average degree of happiness indicated in scores is the smallest in lagging villages, and the difference here is the largest in comparison with the advanced areas of the same district⁶³.

In the following part we present happiness and life satisfaction scores (of 11-grade scales) grouped by districts (see Figure 36). There are significant differences within each category: the average life satisfaction value of the respondents in the sample taken from the district of Sarkad shows a very low value (5.21 points). There is a relatively big difference between the most satisfied and the

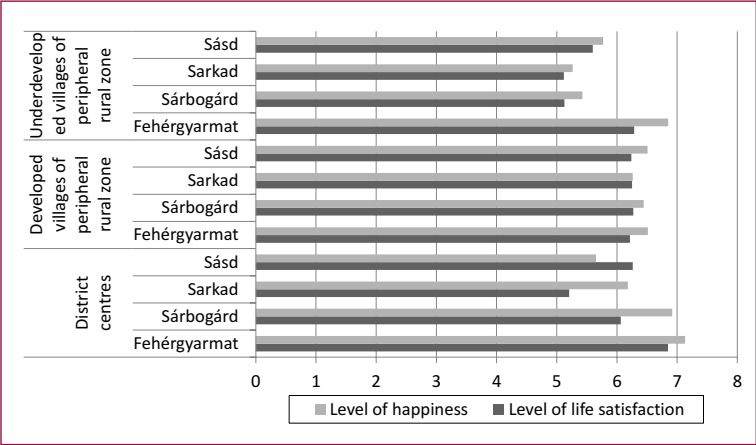
Table 8: The average scores of life satisfaction and happiness by spatial categories (N = 6619)

Spatial categories	Satisfaction	Happiness
Small-town centre	6,37	6,77
Peripheral developed area	6,34	6,56
Peripheral underdeveloped area	5,64	5,93
Developed metropolitan area	6,89	7,24
Underdeveloped metropolitan area	6,68	7,22

Source: The authors' edition based on data of TÁMOP social survey

⁶³ And although this aspect of analysis goes beyond the scope of this sub-chapter, there seems to be equality between the average score of happiness of people living in large cities and their advanced metropolitan areas, thus settlement slope model cannot be clearly applied at this point.

Figure 36: The average scores of life satisfaction and happiness by spatial categories and districts (0 =the least happy/satisfied, 10 = the most happy/satisfied)



Source: The authors' edition based on data of TÁMOP social survey

least satisfied groups of respondents of the underdeveloped vil-
lages in the districts of Fehérgyarmat and Sarkad (6.29 and 5.12
points). Paradoxically, people in the district of Sárbogárd are only
a little, in the district of Sarkad are much more satisfied in the
more developed localities than those living in district centres.
‘Normal’ correlation between life satisfaction and happiness is
seen only in the district of Sásd, the score of happiness is the low-
est in the town of Sásd (5.65 points). In the district of Sarkad the
residents of developed villages assessed their degree of happiness
higher than those living in the town of Sarkad. The result is the
same in the case of life satisfaction, but the difference is much
smaller. The average score of happiness measured in the lagging
villages of the district of Fehérgyarmat – just like of satisfaction –
is higher than those in the settlements of developed rural areas.
Presumably, this is due to the relative success of public employ-
ment programs, to the spread of small churches and to cross-
border smuggling.

Processes maintaining well-being deficits

In the background of well-being deficits, similar, interdependent, mutually reinforcing, relatively long prevailing territorial, economic, demographic, social processes and structures can be identified. The peripheral position of the local communities in Békés and Szabolcs-Szatmár-Bereg counties largely stems from their border-zone location. After decades of isolation and limited contacts, the permeability of the state border has not resulted in the hoped-for economic recovery and towns on the other side of the border start with better positions in the 'competition' for investors. Although smuggling offers a kind of means of living for several families we can hardly speak of their energising economic impact. However, the location on the country's outer periphery goes with being at an internal peripheral position in this context which is a characteristic feature of the Transdanubian regions we have also surveyed. To live in the periphery above all means distance (from development) and limited transportation options. The indicated well-being deficits will result in social polarization as well. For example experience has shown that the further someone lives from cities hosting companies, the more vulnerable they are to the drop in production having caused by whatever reason, as companies respond to crisis by a reduction of their workforce, and employees living far from their workplace will become the first to be made redundant.

This investigation highlights the economic and labour market weakness of rural areas and their dependency from the centre (Nagy *et al.*, 2014). The economic weakness of the centres of these peripheral regions (districts) is also typical. In some small towns an industrial park or industrial area was established, and favourable conditions provided for businesses in the most disadvantaged areas sensibly encouraged the settling of some companies, but the overall progress of populating these parks is slow and erratic. This is due to the low number of small and medium-sized enterprises capable of local/regional capital intensive development and to the area's low attractiveness.

Due to the retreat of industrial activities the surveyed areas are characterized by the dominance of agriculture. However, because of the lack of the necessary conditions for production, and because of the concentration of property and plant structure,

small plants continuously disappear from the sector due to the lack of capital, and the employment capacities of agriculture have radically decreased. Because of the extreme scarcity and one-sidedness of local and regional employment opportunities the working-age residents of the investigated peripheral regions are forced to commute. In accordance with national trends working abroad has become a strategy of living in a growing number of cases in the surveyed areas as well.

The decrease of population in small village regions is one of the most important demographic tendencies transforming the composition of settlements. The signs of loss leave their marks on the face of villages and small towns, with lots of empty houses for sale, which weakens the material well-being dimension of these places. Natural decline and depopulation are processes mutually reinforcing each other. Everywhere the younger, educated people, families with training and/or mobilisable financial cultural capital assets move away and selective migration leads to the aging of local population in some places, while elsewhere it leads to increasing segregation, extreme poverty and to the increasing ratio and concentration of predominantly Roma population. Migration is not or only minimally compensated by immigration. In the district of Sarkad we have heard of Romanian families relocating due to the low cost of property. They, however, do not constitute a resource for the host communities; social migration is a common phenomenon here, when poor, typically Roma families voluntarily leave their previous residence or their municipality 'get rid of' them by buying cheap real estate for them in the outlying areas.

As a summary it can be said, therefore, that peripherization, lagging-marginalizing economic situation, negative demographic trends, the broken, fragile structure of the local communities and a serious lack of resources are standing in the background of well-being deficits. These processes, structures reinforce each other; they both alone and combined can be identified as the cause and source of well-being deficits.

Public policies, local practices

Public education

Public education deserves special attention because its institutional system can prevent, mitigate, or strengthen social inequalities and the reproduction of social and cultural disadvantages. One of the goals of transforming public education is to have primary and secondary schools managed by the state, thereby providing all children with equal opportunities to access quality education and reduce social inequalities.

Our experience regarding the recent process that schools have been taken into public maintenance was that most local governments were happy to have the “burden” of increasing maintenance costs and the resulting conflicts lifted off their shoulders. In addition to hearing about good personal relations and satisfaction with the school district directors of the Klebelsberg Institution Maintenance Centre, we have also heard criticisms about the loss of institutional autonomy, excessive bureaucracy, schools being burdened by administration, and the fact that centralisation makes it impossible to access previously available educational services (for example, by not allocating resources to operating a school bus). Capacity shortages are apparent even after moving the management of pedagogical services to a county level. In some places there is a shortage of professionals who could cater for children with special educational needs (SEN). Professional services for educators have all but vanished from the system. In the years before schools were taken into public maintenance, a neuralgic point was the fate of small schools with dwindling numbers of students. Local governments tried to keep such schools at all costs – by creating institutional maintenance associations, by handing schools over to churches or foundations to maintain them, or by actively looking for new students. Still, several schools closed down or became branch schools.

Public maintenance did not eliminate this problem. Even today there are branch schools teetering on the brink of closure with merged classes and petty schools with shrinking attendance. The reason behind this is not always a decrease in population but a migration towards other schools due to parents enrolling their children in different educational districts or a school in another

municipality instead of a local one. Although these decisions can improve the affected families' subjective well-being, they can worsen the well-being levels of their locality's education and even social connections. The competition for students is stiff even with dwindling numbers. Church-run schools are significant and successful players in this competition because they can often offer solution to the non-Roma parents fleeing from schools undergoing segregation. The typical reason for migration is the (perceived) high number of SEN and/or Roma children. The consequence of this is the emergence of segregated schools with Roma and/or SEN children. Since these schools are guaranteed to stay poor, it is impossible to avoid a decline in educational standards. For example, the children of non-Roma parents in the villages in Fehérgyarmat micro-region, which we studied, attend the district's central school instead of village schools. Children who move from segregated village schools to urban secondary schools regularly fail their classes there, and this anticipates an unsuccessful, interrupted academic career for them.

Lowering the upper age limit for compulsory education to 16 was met with positive reception and relief from many leaders of vocational institutions. However, it is possible that the drop-out rate of students from secondary education that come from poor Roma and non-Roma families will continue to rise and young people without any vocational qualifications will have virtually no chances to enter the primary job market. Lowering the upper age limit severely impacts SEN children as they develop more slowly than their peers and would therefore need to spend more time in the school system. The spread of segregated education practices is also indicated by the fact that ever since primary schools have stopped receiving per capita special rations for SEN children, they have been preferring to send them to special institutions. Based on our research, we believe that the changes in the field of public education are not decreasing but rather increasing inequalities concerning access to quality educational services. The endurance and strengthening of segregation among schools ensures the reproduction of unemployment and the increasing poverty and marginalisation of poor Roma and non-Roma families. We cannot expect a decrease in social well-being in public education.

Public employment

Few dispute that the *extension of public employment* is one of the public policy measures that essentially determines the operation of local governments in disadvantaged regions and settlements, and the livelihood options of poor, unemployed citizens, and thus, their well-being. As previously mentioned, study results show a widespread consensus in the settlements we studied on the opinion that public employment is currently the only means of tackling chronic unemployment and poverty. Mayors and social experts agree that there is “no free lunch”, that is, the recipients of social aid must compensate it through labour. Public employment is a tool to instil discipline and a habit of working. However, opinions differ on the efficiency of work done through the public employment programme.

For local governments, public employment was a major source of income in the past three years, which they could use to build an equipment pool necessary for agricultural and other activity. Filling former employee positions with public workers (usually with the same people who were previously employed there) saves money for many settlements. Thanks to the START agricultural programme that is now in its third year, mayors (especially those of small municipalities) have fashioned themselves as ‘co-op leaders’ and entrepreneurs who hold health and safety briefings, plan and organise production, find markets for products, and even drive tractors, join hoeing, mow the grass in the local cemetery, etc. Many feel that mayors and city council members are not supposed to burden themselves with the actual production of corn or vegetables, or with teaching work ethic to their employees.

The next planning and development cycle places the economic development activity of supporting municipal governments to the forefront. We should be interested in evaluating the public employment system from a sustainability aspect (which the Stiglitz Report also included among priority recommendations). It is unanimously agreed upon that the current system of the START agricultural public employment programme is not efficient from an economic aspect. It would be more competitive if it involved larger areas, fewer workers, and more intensive techniques. At the moment, this system will collapse as soon as the state withdraws support.

In some of the studied settlements, local economic development programmes have been in action for many years to mitigate unemployment and poverty. These programmes aim to create self-sufficient villages that would satisfy local needs with local products and services. When considering the possibility of extending and widely adopting these programmes, we must make it clear that all programmes in these municipalities that seem viable have 15–20 years of work behind them, which means they were consciously planned, systematically developed and built on each other by competent and committed professionals and municipal leaders. An important building block of these programmes is the social land programme which proved successful and sustainable in the long term where it was market-related, as was in the case of the Szabolcs-Szatmár-Bereg county's cucumber production which was conducted through a social land programme. What we can see, however, is that public employment has become an alternative to the social land programme both in terms of funds and for affected unemployed families.

Speaking of local governments' options for future economic development we can state that, on the one hand, public employment can successfully fit along local economic development programmes and economic development and employment programmes launched through aids on a social basis have a good chance of turning into at least partially market-based, viable enterprises if they have the right product structure and market. On the other hand, public employment programmes designed to reduce unemployment and poverty in municipalities with a high level of poverty and chronic unemployment cannot grow and become self-sustaining. Still, they improve the living conditions of affected unemployed and poor families, especially if it ensures that multiple family members can work. While public workers' wages are higher than unemployment benefits, they are still lower than minimum wage, which fact illustrates the social perception of public employment and public workers. In addition to this, the living conditions of many affected families (debts, unpaid utility bills piling up, and the bad state of their housing) entail that public employment acts only as a stopgap measure enabling people to afford heating in winter or the educational enrolment of children. As such, it reduces well-being deficits but alone it is not enough to break out of poverty. To put it bluntly, the public

employment system in its current form makes people too comfortable (despite its intentions), and undermines self-sufficiency. In contrast with day labour and odd jobs, public employment weakens the individual's ties to market-based labour.

Public employment is capable of temporarily reducing the poverty of unemployed families and softening the public antagonism towards these people who are normally considered “bums living on the dole”, and thus ‘worthless’, and consequently reducing local social tensions. At the same time, it cannot fundamentally change structures that sustain well-being deficits.

Summary

This chapter analysed the formation of well-being deficits in disadvantaged rural regions and its sustainment: in a Stiglitzian way, it handled well-being as a multi-dimensional concept based on *multi-scale* analysis and *multiple techniques*. Thus, qualitative techniques that are not frequently used in similar works played a key role in our research in addition to the usual questionnaire-based surveys. We surveyed 1600 people using questionnaires and our field work in the 4 selected disadvantaged micro-regions involved interviewing some 120 employees in various municipal and micro-regional organisations.

We registered a marked deficit in objective well-being dimensions. Compared to metropolitan suburban regions, the peripheries we studied are not only “worse” in terms of educational attainment, job market position, and financial conditions. We can clearly show an inequality “slope” on a municipal scale that correlates with the development level of a location. The outstanding percentage of households that have sunk into extreme poverty is a testament to an extreme lack of well-being. These disadvantages, which have been accumulating for a long time, strengthen each other on a municipal scale.

Similar tendencies but smaller differences characterise the averages of two emphasised categories per spatial type: happiness and life satisfaction. The least happy and satisfied are inhabitants of villages that lag behind. The gap between these villages and the next category (developed localities of peripheral micro-regions) is the largest among gaps between two adjacent categories. However, the

averages show a large variation inside micro-regions (districts). On this scale there is no linear correlation in the case of the three spatial categories (core – developed region – underdeveloped region): life satisfaction was exceptionally low among respondents in Sarkad, while those in Sásd had an exceptionally low happiness level. The satisfaction level of the residents of Sárbogárd also shows some deficits as compared to developed villages of the same district. The relatively high satisfaction and happiness scores of people living in lagging villages in the district of Fehérgyarmat deserve attention. This may be due to being located close to the border, the operation of small churches, and relatively successful public employment schemes that is based on agrarian activity.

Studies of different scales have pointed out that handling well-being as a dynamic category is especially important when researching settlements and regions and also during the planning of development policies. Thus, if education policy only focuses on individuals, young people will leave their locality due to the lack of jobs, regardless of the rise in their educational attainment. This will further decrease the location's educational well-being, which will further worsen job creation prospects. In the disadvantaged rural spaces we studied we could see long-term processes such as peripherization, a lagging and marginalising economic situation, and negative demographic changes.

Exploring the current state of changes in government policies made it clear that the current extension of the state's role in education does not help to decrease the well-being deficits of peripheries in education or labour – to the contrary, it reproduces them.

III.

CONCLUSIONS

How Can We Get from Spatial Inequalities to Social Well-Being?⁶⁴

Viktória Szirmai

The answer to the title question, how can we get from spatial inequalities to social well-being, is: probably with great difficulties. Basically, it is because of the conflicting social interests, still existing worldwide: facts show that today's global world produces inequalities and it is working effectively under the circumstances of disparities. In 2005, the investigation of the social and economic competitiveness of Hungarian metropolitan regions also showed this: even modern, competitive, dynamic urban economies, aspiring to and being successful in joining to global systems carry spatial social inequalities in themselves. The concentration of high social status groups in metropolitan areas, the displacement of lower social classes from urban areas, the concentrations of disadvantaged social groups in rural regions ensured the domestic operation of global economy, the effective participation in economic competition, and because of the scarcity of resources, the well-being of a limited part of metropolitan population (*see Szirmai, 2009*).

But even then it was seen, what now is more evident: heavy social price has to be paid for spatial inequalities. Unlike the expectations, this means rather a decrease in the number of regions capable for dynamic social and economic development than an increase, the slowdown of the development dynamics of cities,

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sharp dichotomies between cities, the countryside and rural areas, including the growth of the development gap between them, internal differences between urban areas, and social tensions infiltrating into urban spaces and rather more the retreat than the spread of well-being.

Therefore, even if it is difficult, but it is absolutely necessary to strive for mitigating regional inequalities especially to support the progress in the territorial dimension of social well-being, and to address social structural inequalities, even because seeing the tensions accumulated by global problems and economic crises, the Stiglitz Commission also recommends this.

It is obvious that the domestic implementation of these goals is not only not easy, but it is feasible rather in the long run than in the short, as it should exercise influence on different phenomena and develop possible ways of solution and treatment under such global and European circumstances which are difficult to actively formulate on national or metropolitan region's level. For this reason it is essential to progress towards building contacts with European forces open for social changes, as well as creating wide-scaled social, political and decisional cooperation which includes the involvement of science and the application of its results.

This book has been written in the spirit of this effort, because it aims to provide a diagnosis based on real processes: it describes the determinants and internal differences of the well-being characteristics of people living in different forms of living space, under different social circumstances. It is doing this with the purpose of calling the attention of the society, including politicians, policy makers on today's state of regional and social inequalities, on the social gaps, slashed by different levels of well-being, on the different circumstances of people living in well-being and of those having been deprived of it and on the differences between their material, activity, cultural, health, contact system building and social participation chances. But most of all it is aimed at highlighting the interrelationships between territorial and well-being differences.

The authors undertook the task of examining the validity of the eight factors of the Report prepared by the committee of Joseph E. Stiglitz, the Nobel Prize-winning American economist for the Hungarian metropolitan regions, and thus to determine the levels of social well-being of the people living in the nine metropolitan

areas with over 100,000 inhabitants and their various zones, moreover in four disadvantaged micro-regions. For the theoretical foundation of this, internationally used, former well-being (including welfare) indices were elaborated and various documents of the international well-being policies have been collected.

The characteristics of regional inequalities

The studies of this book clearly demonstrated the spatial social inequalities, the dichotomies of metropolitan and rural areas, the differences between cities and their urban zones, in other words the contradictions between cores and peripheries. They revealed the socio-economic gaps between the cities studied, including the developmental differences between the capital city and the major cities but also highlighted the differences between the development stages of their suburban zones.

As for methodological reasons, the comparison was a key consideration, therefore, not only differences and similarities in the various spatial formations were compared, but changes in the main trends of social structure were analysed in temporal dimension as well, including the exploration of differences between Budapest and the metropolitan regions of Hungary. This latter one was implemented in 2014, by the analysis and a later re-analysis of representative sociological data collected in nine Hungarian metropolitan regions.

As the data of 2014 show, the strict social order of sharp spatial hierarchy measured in 2005, started to ease as a result of the simultaneous manifestation of two typical processes of global urbanization. One is the re-intensification of economic and social concentration: the changing functions of the inner city: the process of urbanisation, the regeneration of inner spaces, and urban gentrification, the emergence of middle-classes in the city's inner parts as a result. This latter one was influenced by the citizens' changing moving patterns, and this strengthened city life again. As living in a city represented something which was valuable outward migration efforts were reduced, but it was also influenced by out-migrations from the city centre towards outer districts, and by the space occupation of urban middle classes. The other process was the trend of deconcentration, attaching new economic functions

to suburban zones: this included the relocation of several companies to the city's peripheral zone, and suburbanisation, the creation of high prestige suburban zones. This was simultaneous with the displacement of vulnerable, less educated and low income groups from internal urban spaces, leading to the shaping of low social rank suburban zones as well. All these resulted in a rather high social status population in central metropolitan areas, the differentiation of the neighbouring settlements, the composition of partly rather low, partly rather high social status spatial units.

There has been another change: it is namely the social transformation of the cities' neighbouring settlements: the survey conducted in 2005 differentiated (both by economic and physical conditions) developed and undeveloped suburban settlements with differing social composition. At that time the presence of higher social status people was greater in economically advanced places, than in the other type. As the 2014 data indicate, social structural differences show a convergence, due to the influx of mainly young graduates in more significant proportion than before, into previously undeveloped municipalities. (This explanation suggests less correlation with the transformation of the institutional or infrastructural system taking place in the meantime, but may rather be bound to much lower real estate prices here than in large cities or developed municipalities.) By now the dichotomy between cities and their urban peripheries, which was still valid in 2005 has been changed, inequalities may partially appear between big cities and their agglomeration zones but they are manifested mainly between cities and their suburban settlements inhabited by poor social classes.

However, the very sharp spatial inequalities are revealed in comparing metropolitan and disadvantaged rural micro-regions, namely between city centres and rural micro-regions such as the two counterpoints of research, where an ecological and social slope lies showing gradually diminishing values. On the highest and lowest parts of the slope, namely at the two endpoints, the values of economic development and potential show great differences, and the indicators of the supply of sources, of the openness to external sources, of resource hosting absorption capacities are also differing. Economic activity is more typical on the 'upside' than the 'downside' part, while unemployment and participation in public work programmes are more typical at the end of the slope. The so-

cial and demographic structures are also separated from each other: between the top and the bottom endpoints there are discrepancies between the ratio of high- and low-educated people, as well as between the proportion of young and elderly people.

The settlement slope is also unique: the most dynamic players in today's economic and social development, the units holding strategic functions, the spatial units integrated into the global economy often by multiple threads (such as the regions of Budapest, the capital city, of Győr, Székesfehérvár, and recently Kecskemét), are able and ready to participate in global economic competition, sometimes these are even only urban centres, but sometimes they enter into the ring of competition with their own regions. Although even they several times remain at the bottom in social competition because the mitigation of urban spatial inequalities the expansion of middle class cannot obscure the phenomena of social exclusion, the growing number of those unable to meet the demands of the global economy who are referred to just as 'social burden' by many people. Nevertheless, their number at the other end, at the bottom of the ladder is much higher. The really poor, are not those who live in metropolitan areas, but rather those who are located in small rural settlements, who are stuck there, often without any future and hope, and although many of them are longing for living in towns but only those with better market position can succeed in it.

At the bottom of the settlement ladder are the areas with well-being deficit: the peripheral border areas, today's victims of the historically evolved social and economic closure, they are those who excluded from modernisation, and global economic life, those struggling with weak economy, scarcity of resources, and quickly decreasing population, and increasing migration day by day. And this ladder will not break even by the comparison of intermediate units: the comparison of metropolitan areas and rural peripheral settlements also shows significant inequalities: the relations of the two spatial forms follow the previous trend, there are significant differences in well-being conditions between urban and rural peripheries and the disadvantaged position of rural peripheries are clearly seen.

Differences between metropolitan regions

The division of the eastern, north-eastern and western regions of Hungary by development stage, including the more favourable conditions of city centres, metropolitan area centres compared to their regional surrounding, on the basis of which they can be regarded as ‘islands’ outstanding their own region, has been evident for a long time.

It is also obvious that this does not bring overall dynamics for metropolitan areas. On the contrary, several studies have demonstrated the existing differences between metropolitan regions, which resulted from the characteristics of different historical determinations (including different development opportunities offered by the socialist regime), as well as the characteristic processes of the first period of the transition to civil society. As a result, the development of urban areas took place very unevenly: its determinants were such as the integration into global economy, and its extent, foreign direct investment, and the presence of multinational companies, the impacts of foreign and domestic capital, innovative, conceptual regional leadership, and last but not least, the professional skills of regional society, its adaptability to the new, and their differences by city. The differences were even recorded by the survey on metropolitan areas conducted in 2005. The comparative analyses of major cities conducted in 2014 showed significant differences not only between the metropolitan region of Budapest and the 8 major cities but they also indicated their increasing degree. Recent results showed that while in Budapest metropolitan region not only income, but qualification conditions are more favourable with lower unemployment, the metropolitan regions of other Hungarian major cities typically struggle with migration loss, fuelled by the lack of jobs, and the outmigration of the young and marketable population. Demographic trends are also extremely unfavourable with low birth rate, bad mortality figures, but the perceivable declining of urban population may be the result of global economic and urbanization processes as well, sparing only a few cities, including the capital city. Aging is a typical problem of cities, which is only partially counterbalanced by the generally younger-aged population of suburban zones.

Suburbanization plays a significant role in the shaping of the structure of urban societies, although following the Central and Eastern European model it emerged only belatedly in Hungarian towns during the transformation process into a civil society. Moreover, as the latest facts show, it seems as if the 'delayed' phenomenon as it was called by Enyedi (*Enyedi, 1988*), is relevant within the country itself as suburbanization processes are manifested in different ways in different urban regions. The most complete form of this process can be seen in Budapest metropolitan region, it emerged there for the first time and for a long time (until 2007) the intensity of moving out of the capital city and the growth rate of settlements around Budapest were significant. This has been reduced by now, and now suburbanization has become intense in the other major cities of Hungary.

Summing up regional disparities, their internal differences, their restructuring and temporal changes, it appears that they are by no means constant, but ever-changing, multi-dimensional structures. In addition to regional disparities, or more precisely within them dichotomous differences occur on different levels. Empirical analyses on the one hand verified the disparities between metropolitan and rural regions, their different developmental dynamics (specific social and demographic characteristics), as well as the better than ever composed social structures of metropolitan regions, the softening of dichotomous contradictions between city centres and suburban zones through the relief and dissolution of internal inequalities and at the same time the inequalities between core settlements and suburban zones inhabited by socially disadvantaged population. They also verified the differentiated features of metropolitan and disadvantaged rural regions as the key problems of today's regional disparities.

The spatial determinants of social well-being

To apply a territorial method in the research was an important demand from the viewpoint of the concept underlying the book and the compilation of its chapters, as well as from the point of the participants', the authors' default orientation, research and professional interests. Geographers, sociologists and urban sociologists, a political scientist, and an economist participated in

the research. The scientific curiosity for spatial processes was basically not triggered by this but rather by the fact (as it could be read in the Foreword) that the Stiglitz Report does not deal with territorial dimension at all. Therefore it seemed right to ask the question whether we can experience any differences resulting from the territorial location of the surveyed population in the domestic manifestation of the eight dimensions.

The researches and analyses underlying the content of the book revealed and they describe the characteristics of the metropolitan region specific indicators of Stiglitz's objective and subjective well-being model as well as their spatial endowments in details. For these reasons, and by taking a series of methodological and measurement solutions into account, the answer is a definite yes: spatial endowments undoubtedly appear in the identified social issues, in the well-being features of different social groups, in the forms of well-being of people living in metropolitan and rural regions, although they are influenced by the differences in the social status groups of the investigated metropolitan and rural micro-regional population. And this is one of the most important findings of the underlying researches.

Different research has shown that the effect of spatial endowments depends on the social positions of the groups involved: in case of lower social positions (lower education and income, qualifications) place of residence has stronger determining force than in higher-status social groups. Socially disadvantaged groups are not or less able to break out of the 'prison' of regional conditions: their income, material conditions, their health, learning, training, or job opportunities, the ability and desire of living their own life, their contacts, their sense of security, their commitment to democracy, and their openness to culture are the consequences of local conditions.

Higher social status, education, better income, but also subjective factors, expectations, needs give more 'area of freedom': almost independently from local-regional endowments, but at least the various activities of everyday life can much more independently be organized: therefore cultural and other consumer habits also less follow the characteristics of space. In this situation, in the absence of local options a way may open up to even for seeking and finding a better job, appropriate to expectations in another place in the wider region, and finding the needed medical supply, cultural institutions and events.

Along with this, the relations of both 'spatially vulnerable' lower social positions, and 'spatially free' higher social status are influenced by local-regional processes. That is the reason why we see major differences between the social well-being levels of people of similar social status (i.e. high, medium, and low status) living in metropolitan and rural regions. It is so, because regional circumstances 'intervene' into organization of effects that may theoretically be expected from social situation: favourable geographical conditions exert positive, negative ones and the negative influence. This is shown by the fact that the well-being level of low-social status people living in metropolitan areas is better than of those living in rural areas. It is for the same reason why the well-being level of people of high social status living in metropolitan regions is better than the well-being characteristics of those living in rural areas.

There are other reasons why it cannot be stated that spatial endowments do not appear in the social well-being level of middle class or upper class members. After all, these are the social groups, living mostly in bigger cities whose members just live in places, where physical, social and economic environment are beneficial, where workplaces offering well-paid and interesting jobs, learning, training, or good health opportunities are concentrated. But also here appear subcultures based on life model shaping values, expectations and past experiences which represent not only the importance, the necessity of social well-being, but also contribute to its spread. Local social relations, including residential segregation, i.e. the overweight of people of similar social position also reinforce those expectation models and subcultures, which radiate out to the individuals, and create aspirations for individual well-being visible for the others as well.

However, the analyses also showed that despite all the beneficial living conditions internal differences still exist among the inhabitants of metropolitan areas which are characteristic differences between the well-being of people of high medium and low social status. These differences can be explained partly by social status factors, by structural factors defining the positions of high, medium and low social status, by the incomes characteristic for different individual strata, by vocational skills, educational attainment, demographic backgrounds, but also by zone differences, that is again a spatial factor. They can also be explained by the differ-

ences in the specifics of physical and social endowments between the different zones and districts of urban areas, by the their hierarchical structure within metropolitan area, by the intertwining of social and spatial slope in metropolitan regions and by the whether positive or negative but by all means cumulative consequences of the two types of slope as well as by their integration.

When reading the respondents' opinions a rather strange phenomenon occurs: in many cases the surveyed population evaluates its living circumstances (e.g. income or health conditions) better than what real facts indicate. People are much more satisfied than dissatisfied with a variety of factors (which is surprising, since according to international comparative studies the character of Hungarian society is fundamentally pessimistic). On scales indicating social, including well-being hierarchies, people usually place themselves in the middle or a little bit higher⁶⁵: these scales are not really correlated (for example, with the data of social situation explored by questionnaire survey) with the standard deviation of occupational, educational attainment and material living conditions, with the actual situations. People consider the income status of their own usually better than their real incomes might suggest, therefore there is a contradiction between the rating of social position and the actual data of standard deviation of income.

The respondents consider middle classes as the largest group of metropolitan region's society, which is accompanied by a much smaller number of top and also an insignificant lower class, so they have an imagination that today's structure researches can only hope for (especially in terms of the middle class). Perhaps the process of gentrification ongoing in the metropolitan areas can one explanation for this as it is manifesting in higher ratio in middle classes than on national level and compared to the proportion in year 2005. Another reason for that is residential segregation, i.e. the spatial separation of different social strata and its consequences: the more or less similar social structure of immediate residential neighbourhood units assimilated neighbours with simi-

⁶⁵ This has methodological and questioning technical reasons as well: on scales people usually prefer to place themselves into the middle. To eliminate this, multiple scales were listed on the questionnaire, for answering that particular question 11 units of scale were prepared.

lar consumption patterns, the (presumably) similar homes similar cars standing in the street, i.e. all the daily life experiences, which suggest that the lifestyle including well-being of people living in the neighbourhood is mostly similar, “they” just as well as “I” have medium-level income and medium-level social situation.

An important finding of the analyses, therefore, is that the measured dimensions of social well-being follow the hierarchical developmental levels of the spatial core—periphery model: well-being is the highest in downtown areas and (the now more and more dynamically developing) suburbs, that is where the majority of high social status individuals live. In terms of well-being developed and undeveloped suburbs have been levelled, expressing today’s structural changes, the new social composition of the previously underdeveloped seemed municipalities, the inflows of graduates, and their dispersion in the suburban zones.

The social well-being based competitiveness of metropolitan regions

The results of the survey conducted in 2005 analysing the economic and social competitiveness of metropolitan areas and their relationships showed that success in economic sense is mostly coupled with failures in social sense, i.e. in economically successful urban regions various social problems have proven to be stronger (mainly regional disparities, social conflicts and their threats) than in economically less successful regions where social relations were somewhat more balanced.

It was explained partly by the contemporary characteristics of competition, their almost exclusively economic orientation: from the first years the system change and even from the late 1980s, until the infiltration of the 2008 global economic crisis it was evident (and there is almost a full social consensus in this matter) that the favouring of economic interests and the unfavouring of social interests is the precondition of the western type closing up, and of the adaptation of western urban development models.

The almost one-sided commitment to economic development was coupled with the efforts made for the perfect cutback of the former socialist system, and for the rapid expansion of market economy. But it was also interconnected with a very important

additional fact: the rapid development of the enforcement of the economic interests based advanced western societies seemed to be unbroken, the social tensions of the narrow-minded economy-driven development have not emerged yet. Prior to 2008, only a few well-known economists thought of the global effects of the United States' starting mortgage crisis, the negative consequences destructing both the economic and social conditions. In 2006 Nouriel Roubini, and in 2007 George Soros have repeatedly warned the world for the potential dangers of the existing economic and financial model, but the bankruptcy of Lehman Brothers, the fourth largest US investment bank, started only one year later, in 2008.

By the 2014 survey of metropolitan regions the negative consequences of the global crisis had subsided, the world, among them was the Hungarian economy were slowly recovering, but at the level of everyday life it was not noticeable: Neither for the great amount of social structural problems, nor for the presence of regional disparities. The domestic effects of the global crisis had not gone away yet, more and more people were involved in poverty, and the economic and other difficulties affecting living conditions became more and more appreciable.

This is also reflected in the changed way how the population of metropolitan regions in 2005 and in 2014 saw the preconditions of local success and competitiveness. The population of metropolitan regions interviewed in 2005, considered mainly social factors to be important for the achievement of local success and competitiveness; for example, favourable living conditions, love to live at their place of residence. At that time these factors seemed to be more important than economic factors such as the settlement of multinational companies, the promotion of small and medium enterprises. In the opinions expressed in 2014 the role of these very same economic factors clearly increased, although the prioritization has not changed: local success and competitiveness still remained the most important factors of social aspects.

This recently experienced and still perceived anxiety, associated with worldwide and domestic economic crises, can be explained by the grievous conditions of life over the last decade, by the loss of jobs or even by the fear of redundancy as well as by deteriorating incomes. But a new demand of metropolitan societies may

also be presumed to emerge: this is openness towards competitive urban development solutions, covering different areas of economic and social life, seeking to develop both areas, and the affirmation of expectations towards them.

Based on today's development progress of metropolitan regions, satisfying this new demand would really be much needed because the years of the first decade of 2000s did not really bring substantial changes for the competitiveness indicators of metropolitan regions based whether on economic or social or complex i.e. both economic and social ingredients. Compared to the indicators of 2005, year 2014 did not show much difference: it is metropolitan regions that continue to be the most dynamically developing territorial units of the country, in comparison with especially disadvantaged rural areas, but also compared to the national average these regions have the highest economic potential, economic performance and employment level and the majority of jobs is concentrated here. Here lives the highest proportion of skilled and educated social strata, and here unemployment is the lowest, and income levels are the highest. Their attractiveness of population also increased: while in 2005 37.8%, in 2011, 39.0% of the domestic population lived in the metropolitan regions of the nine domestic major cities.

However, interior, more differentiated analyses show a slight deterioration: their previous advantages seem to fall in comparison to both national and rural areas' data. This may be due to the economically and socially unequal internal development of some urban areas as well: between the two dates of investigation the situation of the nine metropolitan regions has significantly changed relative to one another. According to the measurement data during the past nine years sometimes one's, sometimes another area's position changed, due to the modifications of once the economic, other times of social competitiveness indicators. While there are some solid positioned players among them (but only in terms of economic competitiveness), they are especially the central places of central-western regions and the capital city of the country.

It is not easy to interpret this partially stillness partially deterioration, but it is certain that complex, i.e. both economic and social processes can both be the explanatory factors. Namely, the domestic economic downturn, reflecting the consequences of the

2008 global economic crisis, but also the problems of social structure, among them the impacts of disparities between urban and rural areas on urban processes, as well as their special features manifesting in different areas of social well-being and in different social strata, i.e. the differences between the different dimensions of well-being. These factors are worsening not only the national level positions of metropolitan regions which have been compiled by various indicators, but also they are hindering their positive chances for participating in global competition. This is why developing and applying complex economic and social competitiveness concepts comprising well-being factors as well is becoming increasingly indispensable.

From spatial inequalities to social well-being

This book does not promise answers to the chapter title question, namely, how to get from spatial disparities to social well-being: by presenting the facts it only provides a basis for working out the answers needed for the solution, and this workout may be task of another research and another book. Though, the revealed facts in many cases also suggest the ways of mitigating social problems which are crying for introduction at the same time.

By taking into account the processes revealed by the research, several proposals may be outlined for implementation: at first the necessity of mitigating spatial social inequalities then the need for the elaboration of social well-being goals can be formulated. The combination of the two factors, namely regional level and the level of individual regions as well as the definition of differentiated development goals for each social stratum (concepts, strategies) are also of essential importance. They, on the one hand, are built on the real well-being endowments of different regions and different social groups (their weaknesses and tensions) and strive for the development of each dimension of social well-being, through the definition of the relevant dimension related specific concrete (state and private) intervention tools.

In this context, would the well-being level of the high, medium and low social status strata of metropolitan regions (and their internal zones), as well as of rural areas (and their internal units) be recorded, the shortcomings would be presented and the concrete steps

necessary for raising the levels of well-being would be worked out, through ensuring the essential tools for their solution, different types of resources, financial, and even legal background if needed.

This is unthinkable without elaborating the interventions necessary for supporting the physical, economic development of the various urban areas, but also unimaginable without the favourable positioning of the relevant regional or local social actors, local governments and businesses, and without developing the institutional framework ensuring the prerequisites for changes. And finally, introducing a competitiveness model aspiring for improving complex regions, and the economic and social conditions of their population it is also unthinkable without state support and market-based instruments. Finally, with the realization of all these proposals not only the gates of social well-being could be opened but also the further development of Stiglitz's concept, and the elaboration of the differences in general well-being dimensions by countries and regions could be implemented.

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APPENDIX

Description of the Examined Major Hungarian Cities

Budapest

Budapest, Hungary's capital is the political, cultural, industrial, commercial and transportation centre of the country. It is located on the two banks of the Danube, at the junction of the Great Hungarian Plain and hilly areas. The number of the capital city's population is 1,729,040 (CSO, 2011), based on which it is the European Union's eighth, and the most populous city of Hungary. Budapest, consisting of 23 districts is surrounded by Pest County, 80 settlements of which are formulating the Budapest Agglomeration Zone.

The industry of Budapest has undergone significant structural changes in the nineties, but is now represented in almost all sectors of the capital city's industrial structure, although a significant number of industrial enterprises are settled down in the suburbs. Since the change of regime primarily private equity investments have been the driving engines of the city's development. Developments have been implemented so far in three main waves; the first was characterized by commercial developments, the second by the construction of office buildings, and the third has been by the dominance of the home building businesses. The tertiary sector has outstanding significance in the capital city, especially tourism based catering industry. By the end of the first decade of the millennium, the amount of capital investment significantly decreased in Budapest, and the direction of crisis management was set towards economic independence and making its own resource inventory (Budapest 2030, 2013). With the appearance and expansion of new industries (e.g. creative industries), as well as with the expansion of secondary, higher education and R&D&I capacities the capital city (and its metropolitan region) significantly improved its position in international competition, and these with cultural, tourist development opened new horizons for Budapest.

Debrecen

Debrecen is a city of county rank, the seat of Hajdú-Bihar County and the centre of the Northern Great Plain Region, which is situated in the central part of Great Plain. The city is the country's second largest and the Great Plain's, most populous city, with a population of 211,320 people (CSO, 2011).

The change of regime hit the economy of Debrecen hard; factories with long traditions and history, employing thousands of people changed owners gradually, were terminated or transformed, and instead of earlier major industries new ones started to develop. The existence of the basic conditions for knowledge industry, determining the life of the city, (e.g. University of Debrecen, HAS Institute for Nuclear Research) has resulted in strong R&D&I activities, and industrial concentration (pharmaceuticals), which is complemented by machine industry, food processing industry, information and communication technology and tourism. The number of job seekers significantly increased in the city as a negative effect of the global financial and economic crisis period but today the expansion of employment, a recovery process from the recession can be experienced.

Győr

Győr is a city of county rank, the seat of Győr-Moson-Sopron County and the centre of the West Transdanubia Region, lying in Northern West-Hungary, at the eastern part of Little Plain (Kisalföld), at the mouth of Moson-Danube, Rába and Rábca rivers. By population size it is Hungary's sixth largest city, with a population of 129,527 people (CSO, 2011).

From the mid-nineties, the city's economy gained a new impetus, thanks to which it has become the country's leading economic centre after Budapest and in terms of industrial potential, economic competitiveness the second most important city after Budapest. The automotive industry, having a significant role in the successful restructuring, has become the dominant sector of the city's economy, and the Audi AG becoming increasingly collaborative with educational institutions (e.g. Széchenyi István University) alone provides employment for more than ten thousand people. Due to the strong export orientation of municipal

and county economy after the downturn caused by the global financial and economic crisis – by nationwide scale – turned into an energetic development process.

Kecskemét

Kecskemét is a city of county rank, the seat of Bács-Kiskun County, situated at a sand ridge area between the Danube and the Tisza, in the Southern Great Plain Region. The county seat has a population of 111,411 people (CSO, 2011), making it the seventh most populous city in the country.

The former agrarian city's industry could be characterised by the processing industry of agricultural products, by the dominance of food industry, which was continuously complemented by the related mechanical engineering industry. From 2008 the city and region's economy took a new turn, as a result of the decision of the German Daimler AG, Mercedes Benz settled its manufacturing base in Kecskemét. In addition, several major foreign multinational companies, specialized in car manufacturing and mechanical engineering, are working in the city's urban region, bringing a new economic prosperity for the area which is manifested in population growth. The city's major cultural institutions, art nouveau architectural monuments, as well as its nationwide events marketing local products promote the further development of tourism. The College of Kecskemét offers mainly technical training programmes, to provide highly skilled labour force for the economic actors of the region.

Miskolc

Miskolc is a city of country rank, the centre of Northern Hungary Region, the seat of Borsod-Abaúj-Zemplén County. Miskolc is the country's fourth most populous city, currently 161,265 people live here.

The city lies on the east side of Bükk Mountain; its economy for centuries was influenced by the presence of the mountain's natural resources.

Miskolc with its environment was known as the country's largest industrial city, as before the change of regime heavy industry (including metallurgy) looking back to hundreds of years of histo-

ry was flourishing here. The city's economy was on the top at the beginning of the 1980s due to the operation of ironworks, steelworks and engineering sectors, and the city's population exceeded 200 thousand at that time. The successful development of the 'Steel City' drastically stopped after the change of regime, the steel mill that used to employ 18,000 people also broke up, then closed. The area is extremely seriously hit by the economic downturn, the unemployment rate is among the highest in the country, the population decreased significantly (since 1990, by 35 thousand, of which 15 thousand was in the period between the last two censuses), and stopping this drastic downward trend is now the most important social problem. The city and its urban region's economic recovery process started in the early 2000s, since 2004 taking advantage of the easy access, due to the highway construction, a large number of multinational companies chose the city as their premises, boosting up the local economy by this way. Today the city is a cultural and educational centre – its future is based on these sectors - thanks to its nation-wide events (e.g. Opera Festival.), and to the University of Miskolc, offering training courses mostly in technical sciences and engineering.

Nyíregyháza

Nyíregyháza is a city of county rank, situated in the Northern Great Plain Region in Szabolcs-Szatmár-Bereg County. Nyíregyháza is the second largest city of the region with a population having reached 119,000 people by now.

The economic restructuring of the former hajdú town (the name 'hajdú' refers to the infantry of István Bocskai, the Prince of Transylvania, who in the 17th century were given feudal villages, municipalities and exemption of feudal duties in return for their military service) can be dated back to the beginning of the 2000s, when several multinational companies of machinery industry, electronics settled down in the area. The economic recession has left a strong imprint here and several companies closed their local units, which further exacerbated the negative indicators having been accumulated in the meantime. The signs of recovery appeared in recent years, due to road improvements, and the emergence of new sectors. Several firms in machine industry, manufacturing primarily automotive components settled down

here (e.g. Michelin), which absorb a significant number of workers in the region. Still the city is famous today for the premises of one of the largest Danish-owned LEGO, the giant gaming company. The tourism of the city's surrounding area has also undergone a significant development during the recent years.

The college functioning here, offering human and technical training programmes is serving as an adequate basis for providing qualified labour force for the region.

Pécs

Pécs is a city of county rank, the centre of South Transdanubia Region, the seat of Baranya County, a big city at the foot of Mecsek Mountains. The population of the city in 2011 was 144,576 people.

The city has a history of heavy industry, due to coal and uranium ore mining in its wider area, which provided jobs for thousands of people, while employment was dominated by jobs in light industry before the change of regime. After 1990, heavy industry was entirely eliminated; light industry remained, although the number of employees has significantly decreased. The economic recession was hit by the Balkan wars and by the unfavourable physical access as well. The present of the city and its urban region is characterized not by industrial dominance, but by the role of knowledge industry, health and cultural industry standing on the base of the University of Pécs and its research centres. Year 2010 was a milestone in the city's life as this was the year when it became the European Capital of Culture. The social and economic indicators of Pécs and its urban area are far below the national average, and the roots of these problems can be attributed to the fact that although the area already is easily accessible by motorway, but the presence of industry is essentially absent, there are no big multinational companies here to employ masses of people. This all leads to a large-scale out-migration of skilled and unskilled labour.

Szeged

Szeged is a city of county rank, the centre of the Southern Great Plain Region, the seat of Csongrád County, with a population of 161,921 people, thus the third most populous city of the country.

Szeged, is located at the junction of Tisza and Maros rivers. The settlement structure and the economic development of the city and its urban area are strongly influenced by the city's riverside location, since the floodings of the past centuries in several cases made the rebuilding of the city necessary. The industry of the former free royal city was based on fertile lowland soils and due to the city's southern location (with trading frontier town functions), on light industry and today the processing of agricultural products and the presence of food (pepper, Pick) industry are still significant. The economy of the city's urban area is strengthened by the mining of oil and natural gas.

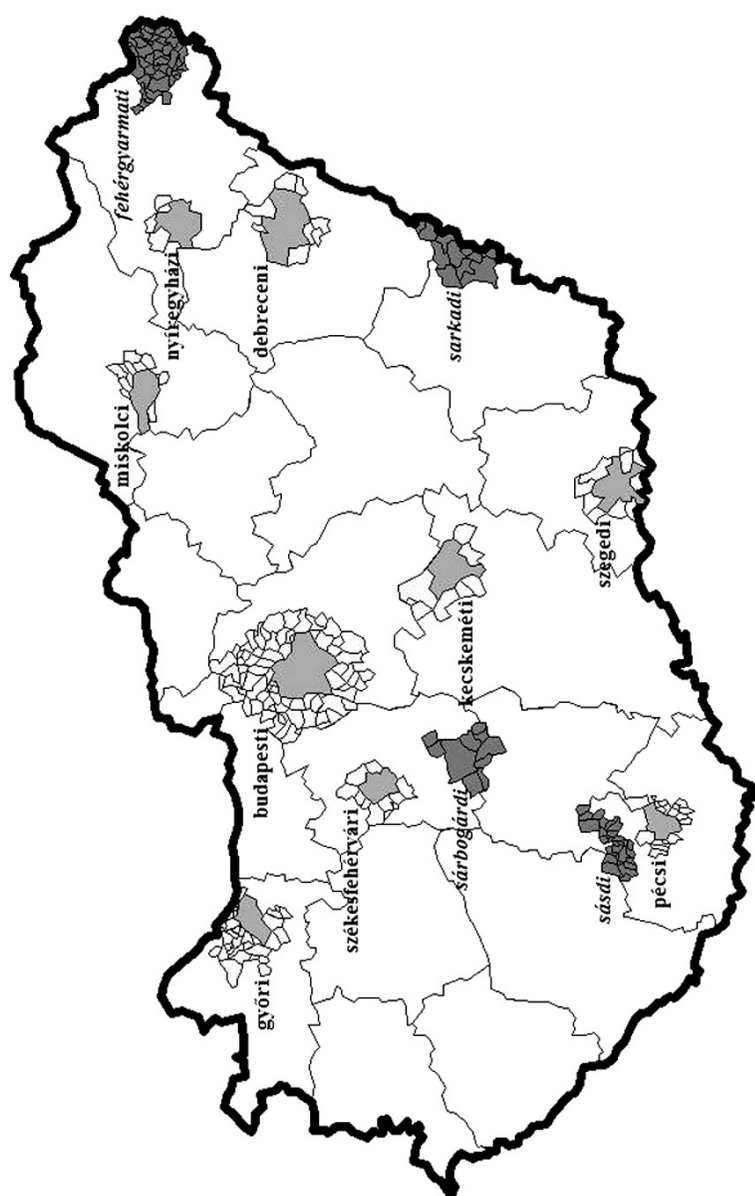
The city is the cultural centre of the region; it is a university city, thanks to the University of Szeged, which is considered as a major institution, due not only to its educational activities but also to its international level research centres. The cultural events of Szeged such as the Open Air Festival have nation-wide reputation, attracting many visitors.

Székesfehérvár

Székesfehérvár is a city of county rank, the seat of Fejér County, the co-centre of Central Transdanubia Region, located midway between Lake Balaton and Budapest. The city is the ninth most populous settlement of the country, with a population of 100,570 people (CSO, 2011).

In the period following the change of regime Székesfehérvár became a major organizing centre for the region, and due to its capital attractive force it became the country's fastest developing area. The past decade, especially the global financial and economic crisis left its mark on the city's economic and employment structure as well, but now by the rebound of the dominant industry, as well as by the transformation of the sectoral structure, through the concentration processes of the service sector and of industry the city was able to survive the recession. The city's society is gradually decreasing in number, and at an accelerating rate, which in addition to unfavourable demographic trends is the result of migration, including the significant degree of suburbanization processes.

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